1	BEFORE THE				
2	ILLINOIS COMMERCE COMMISSION				
3	IN THE MATTER OF:)				
4	COUNTY OF LAKE,)				
5	Petitioner,)				
6	vs.	No. T	14-0041		
7	WISCONSIN CENTRAL LTD., a DELAWARE) CORPORATION; VILLAGE OF GRAYSLAKE;)				
8	and the STATE OF ILLINOIS DEPARTMENT) OF TRANSPORTATION, application for an)				
9	extension of operating authority as a) common carrier.				
10	Respondents.)				
11	Petition for the construction of a new) grade separation to replace the				
12	existing Washington Street (Lake) County Highway 45) highway-rail grade)				
13	crossing of the Wisconsin Central) Limited tracks located in Grayslake,)				
14	Lake County, Illinois; designated as) AARDOT # 689 726 P, railroad milepost)				
15	46.47; and assigning project costs to) the petitioner and respondents, and				
16	authorizing the Grade Crossing) Protection Fund to pay a portion of)				
17	the costs thereof.				
18	Chicago, Illinois December 16, 2014				
19	Met pursuant to notice at 10:00 a	. m .			
20	BEFORE:	, ,			
21	LATRICE KIRKLAND-MONTAQUE, Administrat	tive Ta	a w		
22	Judge.		· '		

1	APPEARANCES:
2	MR. GUNNAR B. GUNNARSSON 18 North County Street
3	Waukegan, Illinois 60085 Appearing on behalf of the County of Lake;
4	MR. THOMAS HEALEY
5	17641 South Ashland Avenue Homewood, Illinois 60430
6	Appearing on behalf of the Wisconsin Central;
7	MR. DANIEL POWERS 527 East Capitol Avenue
8	Springfield, Illinois 62701 Appearing on behalf of Staff.
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21	SULLIVAN REPORTING COMPANY, by
22	Tracy L. Overocker, CSR

1		<u>I</u> <u>N</u> <u>D</u> <u>E</u> <u>X</u>				
2						
3	Witnesses:	Direct	Cross	Examiner		
4	Alfred Giertych	14	60			
5	Michael Pine	72	87			
6	Steve Heath	94	106			
7	Brian Fairwood	108				
8	Daniel Powers		130	127		
9						
10						
11	<u>E X H I B I T S</u>					
12						
13	Petitioner	For Identific	ation	In Evidence		
14	A through D,	ror raciitirire	<u>acron</u>	III EVIGENCE		
15	F through BB	149		60		
16	F, G, H and I			149		
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- JUDGE KIRKLAND-MONTAQUE: By the power vested
- 2 in me by the State of Illinois and the Illinois
- 3 Commerce Commission, I now call Docket No. T14-0041
- 4 for hearing. This is in the matter of the County of
- 5 Lake, petitioner, versus Wisconsin Central Limited,
- 6 the Village of Grayslake and the Illinois Department
- 7 of Transportation as respondents.
- 8 May I have appearances, please,
- 9 starting with Lake County -- the County of Lake.
- 10 MR. GUNNARSSON: Good morning, your Honor, and
- 11 thank you. Gunnar Gunnarsson, G-u-n-n-a-r-s-s-o-n is
- 12 the last name. Lake County State's Attorney's Office
- 13 representing the County of Lake, 18 North County
- 14 Street, Waukegan, Illinois 60085 and my telephone
- 15 number is (847) 377-3050.
- Just for the record, incidentally, we
- 17 have Mr. Al Giertych, who is the county
- 18 representative, assistant director -- assistant
- 19 superintendent, of the County Highway Department.
- 20 Also, we have three witnesses --
- 21 additional witnesses, Steve Heath and Mike Pine from
- 22 Patrick Engineering and Brian Fairwood of

- 1 TranSystems.
- JUDGE KIRKLAND-MONTAQUE: Thank you.
- Wisconsin Central.
- 4 MR. HEALEY: Good morning, your Honor. Thomas
- 5 Healey, H-e-a-l-e-y, on behalf of Respondent,
- 6 Wisconsin Central, Limited. My office address is
- 7 17641 South Ashland Avenue, in Homewood, Illinois
- 8 60430. My phone number is (708) 332-4381.
- 9 I do not anticipate presenting any
- 10 witnesses today, although, obviously, I would reserve
- 11 the right to cross-examine the County witnesses.
- 12 JUDGE KIRKLAND-MONTAQUE: And Staff?
- 13 MR. POWERS: Daniel Powers, Illinois Commerce
- 14 Commission, 527 East Capitol Avenue, Springfield,
- 15 Illinois 62701. The phone is (847) 516-0733.
- 16 JUDGE KIRKLAND-MONTAQUE: Thank you. Okay.
- 17 Mr. Gunnarsson, since this is your petition, I will
- 18 allow you to begin with your arguments and -- in
- 19 fact, why don't you summarize the arguments, the
- 20 purpose of today's hearing.
- 21 MR. GUNNARSSON: Yes, thank you, Judge. So
- 22 this case before you, your Honor, comes on our motion

- 1 for the determination by the Commission pursuant,
- 2 actually, to the agreement that the County has with
- 3 the Wisconsin Central that we can't agree on the
- 4 allocation of the costs to the Railroad for this
- 5 project that the Commission would determine. We've
- 6 agreed also that -- it's Federal Regulation
- 7 23 CFR 646.210 that controls the decision on this
- 8 because federal funds are devoted to the project.
- 9 That regulation states in pertinent part under B3 on
- 10 projects for the elimination of existing grade
- 11 separations are deemed to generally -- forgive me,
- 12 it's actually Item 3, forgive me for that -- on
- 13 projects for the elimination existing grade crossings
- 14 in which active warning devices are in place or
- ordered to be installed by state regulatory agency,
- 16 the Railroad share of the project costs shall be
- 5 percent, so that's the controlling language of the
- 18 regulation.
- 19 On C -- Subsection C of that same
- 20 regulation, your Honor, we see that the required
- 21 Railroad share of the costs under B3 shall be based
- 22 on the costs for preliminary engineering, right of

- 1 way and construction within the limits described
- 2 below and described below under Subsection 1
- 3 essentially talks about the touchdown to touchdown
- 4 limits where you bring the road down from the
- 5 existing theor- -- existing profile to, in this case,
- 6 below the tracks and then bring it up again. We'll
- 7 show on one of the exhibits which has already been
- 8 marked A3 where those touchdown points are, but that
- 9 basically governs what the limitation is for the
- 10 project; but given those limits, that 5 percent under
- 11 B3 is applied to all of the project costs and one of
- 12 the reasons -- by no means the only reason I say
- 13 this, but summaries of the arguments that we've made
- 14 in our briefs -- the County has -- is that that
- 15 5 percent figure was promulgated by the Secretary of
- 16 Transportation under the authority of an enabling
- 17 statute that give -- gave to the Secretary the
- 18 authority to allocate to the Railroad in a grade
- 19 separation project, to eliminate an existing at-grade
- 20 separation, the share of the Railroad's costs based
- 21 on the benefit to the Railroad.
- The Secretary determined 5 percent is

- 1 a fair sort of allocation, so the Railroad has
- 2 already been given a substantial discount in its
- 3 share of project costs, 120th of their costs based on
- 4 the Secretary's determination of what would be
- 5 essentially the benefit to the Railroad. So it's
- 6 unquestionably true that the Railroad does benefit
- 7 from this project just as the highway and the
- 8 authority and the public benefits from it. The
- 9 highways and railroads exist side by side where they
- 10 intersect and the problems caused by their
- 11 intersections, the dangers at the intersections at
- 12 those crossings and the traffic delays are as much
- 13 due to the presence of the Railroad as to the
- 14 presence of the highway, so they -- they realize a
- 15 benefit and they have an obligation to share in the
- 16 costs. The Secretary said that share is 5 percent.
- 17 The language that Mr. Healey has
- 18 focused on in his argument and no doubt will focus on
- 19 again is the language under C1 -- or, actually, the
- 20 leading part of C which is, shall be the costs under
- 21 B3 shall be based on the costs for preliminary
- 22 engineering, right of way and construction within the

- limits described below.
- 2 Those terms generally describe the
- 3 three phases of a grade separation project. They are
- 4 not meant to be limiting in terms of only certain
- 5 types of costs are to be calculated. Preliminary
- 6 engineering as elsewhere defined in the regulations,
- 7 basically all engineering and all planning that leads
- 8 to the development of the project, where it should
- 9 go -- whether it should go ahead and how it should be
- 10 designed; right of way is, you know, self-evident,
- 11 you've just got to -- you've got to get the rights --
- 12 the rights for the project and the third part,
- 13 construction, involves everything that's included
- 14 within building the project. That includes having an
- 15 engineer on site to work with the contractor, it's a
- 16 complex project, you have to. It would be negligent
- 17 not to have a project engineer, that's the Phase 3
- 18 cost item engineering ben- -- the Railroad contests.
- 19 The Railroad contests the Phase 2
- 20 costs, those are the design documents and -- without
- 21 that, of course, you don't have a project.
- The Railroad also contests utility

- 1 relocation costs. We're bringing the road underneath
- 2 the tracks. You cannot leave the utilities hanging
- 3 in the air without relocation of the utilities. Down
- 4 below with the road, there's no project. So it's
- 5 also an essential component of the project.
- 6 Rights-of-way, I'm not sure whether
- 7 the Railroad has abandoned that as a contest or still
- 8 contested and in their Answers to Interrogatories
- 9 they were challenging that and in Mr. Healey's brief,
- 10 he didn't challenge them, so if they are -- I'm
- 11 assuming they're still challenging that. A fair
- 12 amount of the rights-of-way that are being acquired
- 13 are for the temporary roadway and the temporary
- 14 railroad, actually. Without the temporary roadway --
- 15 Washington Street -- is a major east-west traffic
- 16 artery in Lake County -- would be shut down and the
- 17 public could not stand for that -- could not stand
- 18 for having Washington Street shut down during a
- 19 two-year project, so it's a necessary part of the
- 20 project having the temporary roadway in order to
- 21 maintain existing traffic.
- 22 And, incidentally, the Federal Highway

- 1 Authority also admonishes public agencies to impact
- 2 traffic with these grade separation projects in the
- 3 least degree possible and this is certainly part and
- 4 parcel of that.
- 5 So I think generally two things: One
- 6 the regulation says clearly it's 5 percent of the
- 7 project costs, whatever goes into the project; but
- 8 even if one wants to cherry pick and say, Oh, no
- 9 preliminary engineering is meant to be a limiting
- 10 term and right-of-way is somehow limiting
- 11 construction, those are the three parts of the
- 12 project anyway -- three phases and everything that
- 13 you will hear about today, all the contested items,
- 14 Phase 2, Phase 3 engineering, the utility relocation,
- 15 the Metra force account work, you'll hear some
- 16 testimony, your Honor, about the sidewalk and bike
- 17 path and then the right-of-way are -- all fit within
- one of those three stages. So either way that you
- 19 would look at it, your Honor, these costs are part of
- 20 the project costs, again, which the Railroad is to
- 21 pay 5 percent and, again, they've already been
- 22 discounted to 25 percent for its benefit. So for

- 1 them to say, Oh, no, only those costs that benefit
- 2 the Railroad would give them a double discount is
- 3 substantially -- substantially underestimate the
- 4 costs against which the Railroad's mandatory
- 5 5 percent share is applied.
- 6 So today, I will essentially present,
- 7 by way of prove up, these line items with
- 8 Mr. Giertych who is the assistant County engineer,
- 9 get the overview of the project and each of these
- 10 exhibits and I do not want to belabor yourself, your
- 11 Honor, nor the Commission with extensive testimony,
- 12 it's more on the nature of proving this up; but for
- 13 each of those real contested issues, I will also have
- 14 one of the additional witness hear to also testify
- about the more details of that, either Mr. Steve
- 16 Heath, who is more of the Railroad side of the
- 17 project from our end, the County's end, Mike Pine to
- 18 talk about other areas of the design and the project
- 19 and then Brian Fairwood who, with TranSystems, sort
- 20 of the project management supervisor outside project
- 21 management supervisor by the County who will talk
- 22 about the summary of costs which will be the central

- 1 exhibit that we were talking about during the
- 2 testimony; and with that, Judge, you've gotten our
- 3 briefs on the legal issues and the authorities that
- 4 we've come up with to support our argument on that.
- 5 We would be prepared to present testimony.
- 6 JUDGE KIRKLAND-MONTAQUE: Okay. Why don't you
- 7 have your witnesses stand and raise your right hand.
- 8 (Witnesses sworn.)
- 9 JUDGE KIRKLAND-MONTAQUE: Do you want the
- 10 witness to sit here? Which would be easier for you?
- 11 MR. GUNNARSSON: It would be easier for me if
- 12 Mr. Giertych, who is going to be our main witness, is
- 13 to sit here; but when we call the other witnesses,
- 14 since Mr. Giertych will be here is also counter
- 15 representative, I would ask that the witness go.
- JUDGE KIRKLAND MONTAQUE: Okay.
- 17 MR. GUNNARSSON: With your leave to
- occasionally point to the blowup, what's been marked
- 19 Exhibit A3 on the easel before you, we might move it
- 20 a little bit closer so your view of it is a little
- 21 clearer, the intent was to make it in a fashion that
- 22 you could see what we're talking about.

- JUDGE KIRKLAND-MONTAQUE: I can see it from
- 2 here. Okay.
- 3 MR. GUNNARSSON: So we would start with
- 4 Mr. Giertych then, your Honor.
- JUDGE KIRKLAND-MONTAQUE: You may. Go ahead
- 6 ALFRED GIERTYCH,
- 7 called as a witness herein, having been first duly
- 8 sworn, was examined and testified as follows:
- 9 DIRECT EXAMINATION
- 10 BY
- MR. GUNNARSSON:
- 12 Q Mr. Giertych, can you please state your
- name for the record and spell your last name?
- 14 A My name an Alfred Thomas Giertych, Jr. My
- 15 last name is G-i-e-r-t-y-c-h.
- 16 Q And, Mr. Giertych, what -- who is your
- 17 employer?
- 18 A Lake County. The Lake County Division of
- 19 Transportation.
- 20 Q And what is your position with Lake County?
- 21 A I'm the assistant county engineer.
- 22 Q And generally describe what your duties are

- 1 in your current position?
- 2 A Primarily, my duties are in the area of
- 3 program management, executing the five-year capital
- 4 program.
- 5 Q What is your engineering education?
- 6 A I have a bachelor's in science and civil
- 7 engineering from the University of Illinois.
- 8 Q Are you licensed Mr. Giertych.
- 9 A Yes, I am. I'm licensed in the State of
- 10 Illinois and the State of Wisconsin.
- 11 Q How long have you been the assistant County
- 12 engineer?
- 13 A Approximately 15 years.
- 14 O Now, Mr. Giertych, are you familiar with
- the County of Lake's Washington Street Grade
- 16 Separation Project?
- 17 A Yes, I am.
- 18 Q And, generally, can you describe for the
- 19 Judge what that project entails?
- 20 A The current operations on Washington Street
- 21 exceed the capacity of the roadway. So with the
- 22 current traffic already exceeding capacity, future

- 1 anticipated traffic is going to make that condition
- 2 worse. So the intent -- the purpose and the need of
- 3 the project is to provide an efficient transportation
- 4 corridor along Washington Street that's safe and not
- 5 congested.
- 6 Q And in what way does this project alleviate
- 7 the problems that you've mentioned with regard to the
- 8 traffic flow?
- 9 A With regard to the traffic flow, it does
- 10 several things. We're adding an additional through
- 11 lane. The current section is one lane in each
- 12 direction with intermittent left turn lanes. The new
- 13 section will be two through lanes in each direction
- 14 with intermittent left turn lanes that will add
- 15 capacity to the roadway itself.
- In addition, we are going to be
- 17 creating a grade separation at the railroad, which
- 18 will eliminate the delays due to passing trains and
- improve the flow of traffic. Currently, there is an
- 20 excess of 50 trains a day that go through that
- 21 location.
- 22 Q And is there any sort of a safety concern

- 1 that the County has with respect to the existing
- 2 intersection? And if so, what is that concern?
- 3 A Well, the proposed section will be safer in
- 4 that we will be eliminating the grade crossing of the
- 5 railroad and the roadway and also there is an
- 6 existing bike trail on the south side. And by
- 7 eliminating that potential conflict, it's inherently
- 8 safer to separate those movements. So in other
- 9 words, the pedestrian, bicycle and automobile
- 10 movements will now be completely separate from the
- 11 railroad, so there will be no opportunity for a crash
- 12 or an accident of any kind.
- 13 Q And I'd like to now go through some of the
- 14 exhibits that you have before you, Mr. Giertych.
- 15 Let's start with Al very briefly.
- 16 Can you identify that document?
- 17 A That's a general location map of where the
- 18 project is located in Lake County.
- 19 Q A2, can you identify that exhibit?
- 20 A These are photographs in all four corners
- of the existing crossing of the railroad by
- 22 Washington Street with the existing section.

- 1 Q A3 is a photocopy of the bigger exhibit
- 2 that you have on the easel; is that correct?
- 3 A Yes, it is. This is an aerial photograph
- 4 depicting the proposed improvements and, also, there
- 5 is a profile view in the bottom center which shows
- 6 what the elevation profile of the existing and the
- 7 proposed roadway will be at the railroad.
- 8 Q And, Mr. Giertych, by leave of the Judge,
- 9 could you approach the blowup and if it is at a good
- 10 position where we can see it all, Judge, I'm going to
- 11 ask you a couple questions about that exhibit.
- 12 Can you show where the -- are you
- 13 familiar with the term "touchdown to touchdown
- 14 points" in a grade separation project?
- 15 A Yes.
- 16 Q And what is your understanding of that
- 17 term?
- 18 A The touchdown points would the point at
- 19 which the proposed roadway profile would have to
- 20 depart from the existing roadway profile to create a
- 21 grade separation.
- 22 Q Now, looking at A3, can you show the

- 1 western touchdown point and then the eastern
- 2 touchdown point?
- 3 A This exhibit identifies a western touchdown
- 4 limit at Station 104.75 which corresponds to the
- 5 point at which the proposed road profile, which is
- 6 shown in purple, begins to depart from the existing
- 7 road profile to create the grade separation.
- 8 Q And the east touchdown point, Mr. Giertych?
- 9 A And the corresponding eastern point would
- 10 be the point at which the proposed road profile,
- 11 again, approaches back up and meets the existing road
- 12 profile.
- 13 Q Also, on this exhibit it shows -- appears
- 14 to be a road in purple, what is that indication?
- 15 A The road in purple is -- this is a
- 16 temporary roadway that would serve as a runaround
- 17 during construction of this grade separation. So
- 18 there's considerable excavation work that needs to be
- 19 done to create this new road profile. This is a
- 20 temporary road that will be built so that we can
- 21 route traffic in both directions, one lane in each
- 22 direction during construction so that we don't have

- 1 to close the roadway.
- 2 Q Also, on this exhibit it shows Metra
- 3 platform and it appears to be some work by the Metra
- 4 platform. What is -- what does that work entail?
- 5 A This is an existing Metra commuter station.
- 6 Currently, you access that off of Washington Street.
- 7 The station itself is back in this portion of the
- 8 aerial and the existing platform currently abuts the
- 9 existing railroad line.
- 10 During construction, it will be
- 11 necessary to construction a shoofly for the railroad
- 12 so that the railroad can also bypass the construction
- 13 area and enable us to build that bridge. So the
- 14 temporary work that's necessary at the Metra station
- is to construct a temporary platform that will allow
- 16 commuters to access that temporary alignment of the
- 17 railroad.
- 18 Q So in order to have the temporary rail
- 19 shoofly, is it necessary then to have modifications
- 20 to the Metra platform?
- 21 A The modifications to the Metra platform are
- 22 necessary because we're building a shoofly. We need

- 1 to put the train on a new alignment.
- 2 Q So that the commuters can access it?
- 3 A In order to maintain commuter service, we
- 4 need to build a temporary platform.
- 5 Q Also on this exhibit, I see some
- 6 indications in red above Washington Street.
- 7 What is -- what does that indicate?
- 8 A This red line represents a sidewalk that's
- 9 going to be built for pedestrian access through the
- 10 corridor on the north side and it will be connecting
- 11 up the subdivisions that are to the west on the north
- 12 and south side of Washington Street and also on the
- 13 north side and the south side east of Lake Street to
- 14 the Metra station.
- 15 Q And is there currently a sidewalk in
- 16 existence by Washington Street?
- 17 A Not on the north side, no.
- 18 Q And why are we -- why does the project
- 19 include the sidewalk being installed and then also
- 20 brought underneath the rail tracks?
- 21 A Well, it was identified fairly early on
- 22 during the Phase 1 study process that -- at some of

- 1 the public meetings that there was an interest by the
- 2 public being able to access that Metra facility by
- 3 foot, by -- as pedestrians. It avoids the need to
- 4 double commute. In other words, if you live in one
- of these subdivisions, you don't have to drive your
- 6 car there, you can walk, if you choose to.
- 7 So -- also, our non-motorized travel
- 8 policy requires us to look at all moods of
- 9 transportation through a transportation corridor.
- 10 So, in other words, in addition to automobile
- 11 traffic, we look at pedestrian traffic and bicycle
- 12 traffic and we do what we can to accommodate those
- when it's possible.
- 14 O And by -- you mentioned transportation
- 15 corridor, what do you mean by that term?
- 16 A By transportation corridor what we mean is
- 17 we don't view our rights-of-way as just a highway
- 18 corridor, it's a transportation corridor. We need to
- 19 move people in all moods of transportation. People
- 20 choose to walk or have a need to walk, use a bicycle,
- 21 use an automobile, facilitate the use of mass
- 22 transit, this all comes together in an integrated

- 1 strategy of transportation.
- 2 Q And having the sidewalk installed to
- 3 provide a way for people to travel by foot to the
- 4 Metra station; is that correct?
- 5 A Yes.
- 6 Q Without that bike path, where would the --
- 7 if someone wanted to go from the east across the
- 8 tracks to get to the Metra station, where would they
- 9 have to walk?
- 10 A You said bike path, I think --
- 11 Q I'm sorry, the sidewalk. Forgive me.
- 12 We'll get to the bike path in a moment.
- 13 A Well, currently they -- if they were on the
- 14 north side west, they could -- there's no facility
- 15 here, so they really have no way unless they cross
- 16 the road and use the multi-use path or the bicycle
- 17 path that currently exists on the south side, but
- 18 it's not readily available. There's, I think, one
- 19 crosswalk at the side street just to the west.
- 20 O And from the east without the sidewalk, how
- 21 would pedestrians be able to cross over to the Metra
- 22 station?

- 1 A It would be a similar situation where there
- 2 is an existing multi-use trail here, so they could
- 3 access that trail use the trail.
- 4 Q And that trail that you mentioned, is that
- 5 the bike path?
- 6 A Yes.
- 7 Q Is there a reason why the County wants to
- 8 have a separate sidewalk from the bike path?
- 9 A To accommodate the pedestrian traffic.
- 10 Q Is there any sort of safety reason to do
- 11 that?
- 12 A Yes. We don't want people walking in the
- 13 road or crossing at the wrong location on the
- 14 roadway, so it's a safer and it's a more efficient
- 15 way to handle pedestrian traffic.
- 16 Q Now, you did mention the bike path. Can
- 17 you indicate where that's shown on this exhibit,
- 18 Mr. Giertych?
- 19 A The bike trail within the limits of
- 20 construction are shown in blue. So this is the
- 21 proposed bike trail, there is an existing multi-use
- trail, it's a Village of Grayslake facility that

- 1 currently stops just short of the right-of-way of the
- 2 railroad on either side and we're going replace that,
- 3 reconstruct it with a new bike trail that will follow
- 4 the grade separation, new grade profile grade
- 5 separation so it will be separated from the railroad.
- 6 Q So in order to maintain the bicycle traffic
- 7 along the south side of Washington Street, is it
- 8 necessary to bring the path there underneath the
- 9 tracks as well?
- 10 A This will be a much safer condition than
- 11 currently exists and it will also be more efficient.
- 12 It will be a 15-foot wide path that meets all the
- 13 standards.
- 14 O Now, for the temporary roadway, the
- 15 sidewalk/bike path, is it necessary to acquire
- 16 rights-of-way for all of those a construction items,
- 17 Mr. Giertych?
- 18 A There's a variety of reasons why we
- 19 acquired the right-of-way. The temporary roadway
- 20 runaround is certainly a major reason. We also
- 21 needed to acquire an easement for the railroad
- 22 shoofly. We are also acquiring temporary easements

- 1 in some of these locations for temporary grading and
- 2 then some permanent easements and actual acquisitions
- 3 for the permanent grade change that takes place in
- 4 the vicinity of the grade crossing itself.
- 5 There's also, as you can see on this
- 6 display, several different utilities that will be
- 7 relocated from their current position adjacent to the
- 8 two-lane road. They'll be taken further out where
- 9 they can match up grade-wise and cross the railroad
- 10 without being underneath the roadway.
- 11 O Is the relocation of the utilities a
- 12 necessary component of this grade separation project?
- 13 A Yes, it is. All the utility relocations
- 14 are doing conflicts with the proposed construction
- 15 and facility.
- 16 Q If you were to bring the road down with
- 17 this potential excavation that you already described,
- if the utilities wouldn't be relocated, what would
- 19 happen to them?
- 20 A They would have to be relocated. We
- 21 couldn't construct the project with utilities in
- 22 their current location.

- 1 Q And, lastly, on this exhibit, there's
- 2 indicated proposed retention pond. Why is that part
- 3 of this project?
- 4 A That's part of the overall storm water
- 5 management strategy for the project. Currently,
- 6 with -- as far as down as we're taking the roadway,
- 7 we cannot drain this by gravity, so there will be
- 8 actually be a pump station where we will mechanically
- 9 pump the water from this well location in --
- 10 right-of-way up through this permanent easement into
- 11 this detention basin where we'll provide both flood
- 12 control and water quality management BNPs and then
- 13 discharge it downstream through the subdivision.
- 14 O So without water detention, I mean, you
- 15 wouldn't be able to pump -- you have to be able to
- 16 pump the water somewhere in the excavated area --
- 17 A I would prefer storm water management.
- 18 There's different aspects to that, that we have to
- 19 get the water out from under the bypass or underpass
- 20 so that it doesn't flood, so we have to maintain that
- 21 so that we don't have a flooding condition on the
- 22 roadway. We pump it up to its higher location, which

- 1 would be in this basin where we can hold it and we
- 2 could provide certain water quality best management
- 3 practices that will allow us when we discharge it to
- 4 discharge clean water and discharge it at a rate that
- 5 won't cause downstream flooding.
- 6 Q So do you regard this as a necessary
- 7 component of the project has well?
- 8 A Yes, it is.
- 10 detention?
- 11 A No.
- 12 Q You can go ahead and sit back down,
- 13 Mr. Giertych.
- 14 Just moving through quickly some of
- 15 the other exhibits. Looking at Exhibit B, can you
- 16 identify that document?
- 17 A These are the construction plans.
- 18 Q The plans call for a widening of Washington
- 19 Street from two to four lanes; is that right?
- 20 A That's correct.
- 21 Q And why -- why is Washington Street being
- 22 widened?

- 1 A Because the current operations exceed
- 2 capacity and will worsen with anticipated future
- 3 growth of traffic.
- 4 Q And is east of the project is Washington
- 5 Street a four-lane roadway?
- 6 A Yes. Yes, it is.
- 7 Q And west of the project, will it be a
- 8 four-lane roadway?
- 9 A It will be a four-lane roadway, yes.
- 10 Q So without widening it to four lanes, would
- 11 there be any sort of traffic management issue?
- 12 A Yes. It currently exceeds capacity and
- 13 will only get worse as traffic continues to grow in
- 14 volume.
- 15 Q I'd like to direct your attention to
- 16 Exhibit C.
- 17 Can you identify that document?
- 18 A This is a cost breakdown that was, I
- 19 believe, presented at the hearing back in July.
- 20 O So is there a more current breakdown of the
- 21 project costs?
- 22 A I believe we have an updated version of

- 1 this that shows more refined costs based on where we
- 2 are with the project development process.
- 3 Q And I would like to quickly redirect you to
- 4 that, Exhibit U, and ask you, is that the most
- 5 current breakdown of the project costs?
- 6 A Yes, it is.
- 7 MR. GUNNARSSON: I'm going to have a separate
- 8 copy of that that you can look at and just make it
- 9 easier because we were we'll also be going through
- 10 the exhibits with reference to that, your Honor.
- MR. HEALEY: Can we go off the for the record
- 12 for a minute?
- MR. GUNNARSSON: Sure.
- 14 (Discussion off the record.)
- JUDGE KIRKLAND-MONTAQUE: Back on the record.
- 16 MR. HEALEY: Your Honor, if I could, could I
- 17 make a brief statement on the record prior to
- 18 Mr. Gunnarsson continuing?
- 19 JUDGE KIRKLAND-MONTAQUE: You may.
- MR. HEALEY: Thank you, your Honor.
- The Railroad has made an argument in
- this docket that 23CFR 646.210C3 would indicate

- 1 that -- in a project where a grade separation is
- 2 being put at an existing at-grade crossing with
- 3 signals that the Railroad's 5 percent allocation of
- 4 costs is measured by the lesser of the actual cost of
- 5 relocation, the estimated cost of relocation, the
- 6 estimated cost of a structure and approaches as
- 7 described above, whichever is less. In light of
- 8 further consideration of that position and in
- 9 discussion with counsel for the County, the Railroad
- 10 has determined, for purposes of this proceeding any
- 11 way without waiver of the right to raise it at some
- 12 other point, that, in fact, that section of the
- 13 regulations is not applicable to a grade separation
- 14 project. The conclusion we've reached from that
- 15 position, which again we're taking without prejudice,
- 16 we're just taking it for purposes of this docket, is
- 17 that however your Honor determines the 5 percent
- 18 allocation applies to the various project elements,
- 19 we don't need to get into the actual estimated costs
- 20 of those elements right now because the Railroad, in
- 21 no event, with that stipulation, will be paying on
- 22 estimated costs. For purposes of the docket, we'll

- 1 be paying actual costs incurred by the County for the
- 2 construction and planning and so on for the various
- 3 elements that you determine is included.
- 4 So for purposes of this hearing, what
- 5 we will need is for your Honor to determine what
- 6 category of costs are properly allocable at 5 percent
- 7 to the Railroad and you won't have to determine what
- 8 is the estimated cost at this time, how much do we
- 9 break out, there are cost items we may -- by way of
- 10 example, question that aren't necessarily broken out
- 11 in Exhibit U --
- MR. GUNNARSSON: Yes.
- 13 MR. HEALEY: -- but I don't think it's
- 14 necessary to try to drill in with Mr. Gunnarsson's
- 15 witnesses to try and determine the costs of those
- 16 because we'll be able to identify the categories and
- 17 then when the actual costs come out, if you've
- 18 determined they're allocable and the Commission
- 19 approves it, then we'll pay on the actual.
- JUDGE KIRKLAND-MONTAQUE: Okay. Are you in
- 21 agreement with that?
- MR. GUNNARSSON: Yeah, we agree with that. It

- should be 5 percent of actual project costs.
- 2 MR. HEALEY: Yeah.
- JUDGE KIRKLAND-MONTAQUE: Okay. Thank you,
- 4 Mr. Healy for that.
- 5 And on that note, Mr. Gunnarsson, you
- 6 can, you know, you can direct your witnesses
- 7 testimony to the various categories that area at
- 8 issue.
- 9 MR. GUNNARSSON: Very good, Judge.
- 10 BY MR. GUNNARSSON:
- 11 Q All right. So, Mr. Giertych, looking at
- 12 Exhibit U, I'm just going to go down what's indicated
- 13 here and ask you to describe what they refer to.
- 14 So the first line item is Program
- 15 Management. What is Program Management?
- 16 A Program Management on this project, Lake
- 17 County has five projects that are part of our
- 18 Challenge Bond Program. We hired an engineering
- 19 consultant to provide us with program and project
- 20 management services as an extension of our senior
- 21 staff to manage those projects on our behalf. This
- is one of those five projects.

- 1 Q And why is that part of the project?
- 2 A These are very large and complex projects
- 3 and it exceeded our staff capacity to undertake all
- 4 five of those projects at the same time, so we
- 5 brought this consultant in to provide these
- 6 professional services -- engineering services to us,
- 7 as I mentioned, as an extension of our staff -- our
- 8 senior staff.
- 9 Q So without this consultant providing
- 10 project management, would the County have been able
- 11 to undertake this project?
- 12 A No.
- 13 Q Okay. The second item is Phase 1
- 14 Engineering. What is Phase 1 Engineering?
- 15 A Phase 1 Engineering is the initial
- 16 engineering stage and, basically, what we do is we
- 17 start with a blank slate, we look all at all the
- 18 different parameters that go into or are relevant to
- 19 a project, things such as the traffic, the accident
- 20 history, environmental factors, conditions in the
- 21 field.
- We have a public involvement process

- 1 at this stage where we get the public involved. We
- 2 ask them for their thoughts on what they would like
- 3 to see in the way of a road project and we develop a
- 4 purpose and need for the project and once that's
- 5 established then we develop alternative solutions
- 6 that address that purpose and need; and based on an
- 7 evaluation of a cost benefit analysis of those
- 8 different alternative solutions, we arrive at a
- 9 preferred alternative, which is a conclusion of the
- 10 Phase 1 process. So we have a design report that
- 11 puts forward a preferred alternative that meets the
- 12 purpose and need of the project.
- 13 Q Now, are federal funds devoted to this
- 14 project?
- 15 A Yes, they are.
- 16 O And do the -- does the devotion of federal
- 17 funds come with certain requirements such as holing
- 18 public hearings?
- 19 A Yes. There's a process that we have to
- 20 follow for federal projects for them to be eligible.
- 21 Q And does that include public hearings?
- 22 A Public involvement, yes.

- 1 Q Which you've already described as part of
- 2 the Phase 1 --
- 3 A Yes.
- 4 Q -- process?
- 5 And just incidentally, have those
- 6 costs already been incurred?
- 7 A Yes, they have.
- 8 Q So -- I know as far as the estimated costs,
- 9 we won't bother with that; but as far as this line
- item, what's indicated here on Exhibit U for Phase 1
- 11 Engineering, those are costs that have already been
- 12 incurred for Phase 1?
- 13 A That's correct.
- 14 O Phase 2 Engineering, what is that?
- 15 A Phase 2 Engineering follows the completion
- of the Phase 1. So we have a design report -- final
- 17 design report at the conclusion of Phase 1 that
- 18 basically defines what the project is going to be.
- 19 Phase 2 is the development of the engineering plans
- 20 and construction plans to build the project. So the
- 21 construction plans and specifications are developed,
- 22 survey work is done, right-of-way plats and legals

- 1 are developed, right-of-way is acquired, that's all
- 2 part of the Phase 2 process.
- 3 Q The plans that were marked as Exhibit B
- 4 that you've already identified, are those the Phase 2
- 5 plans?
- 6 A Yes, they are. And the Phase 2 will
- 7 conclude when we take the project to a competitive
- 8 bid or a bid award.
- 9 O It also includes the contract
- 10 specifications and the letting of the contract?
- 11 A Yes.
- 12 Q For both Phase 1 and Phase 2 engineering,
- who is the engineer that's been contracted?
- 14 A The consulting firm is Patrick Engineering.
- 15 Q And for both of those, were those
- 16 publically let contracts?
- 17 A We award those under -- as professional
- 18 services under our qualification based selection
- 19 process.
- 21 A We're required by law to use that
- 22 methodology for awarding professional services.

- 1 Q So you follow the State law --
- 2 A Yes.
- 3 Q -- in terms of selecting Patrick
- 4 Engineering?
- 5 And going back to program management,
- 6 who is the outside consultant for that?
- 7 A That's TranSystems, an engineering
- 8 consultant.
- 9 Q Were they also retained for professional
- 10 services --
- 11 A Yes.
- 12 Q -- in determining a contractor?
- 13 A Yes, they were.
- Q Okay. Right-of-way acquisition, what does
- 15 that refer to?
- 16 A That's the acquisition of the additional
- 17 property that is necessary, either through fee simple
- 18 acquisition, temporary easements or permanent
- 19 easements for the various needs on the project.
- 20 Q Without the right-of-way acquisition, would
- 21 the project be constructed?
- 22 A No, it would not.

- 1 Q Wetland Bank, what does that refer to?
- 2 A Wetland banking, this refers to -- the
- 3 project impacts several regulatory wetlands. So what
- 4 we are required to do through the permitting process
- 5 through the Corps of Engineers is to mitigate those
- 6 impacts and the way we do that is we purchase wetland
- 7 credits -- Wetland Bank credits and we keep an
- 8 account that has those credits and as we need to use
- 9 them, we charge against that account and there is an
- 10 equivalent cost that we paid for those banking
- 11 credits. This is the actual costs of the credits
- 12 that we're using to mitigate the wetland impacts on
- 13 the projects.
- 14 O What's indicated here is the actual costs
- 15 that have already been incurred?
- 16 A Yes.
- 17 Q And going back to Phase 1 and Phase 2
- 18 engineering right-of-way acquisition, are those
- 19 estimated or are those actual costs?
- 20 A The Phase 2 engineering is not quite
- 21 complete yet. It's very close, but that's a close
- 22 number. Right-of-way acquisition is complete and

- 1 that's an actual number.
- 2 Q I think you already testified Phase 1
- 3 engineering, that's an actual?
- 4 A That's complete.
- 5 Q Phase 2 is somewhat estimated?
- 6 A It's very close.
- 7 O The next item is construction,
- 8 self-evident, that's building the project; is that
- 9 right?
- 10 A That's correct.
- 11 Q There's a figure here, but that's an
- 12 estimate; correct?
- 13 A That's an estimate, yes.
- 14 O Phase 3 Engineering, what does that refer
- 15 to?
- 16 A That's the engineering that's required
- 17 during the construction phase, so that's part of the
- 18 construction. That's the on site engineering that's
- 19 necessary to work with the contractor on issues that
- 20 come up day to day and maybe even bigger issues that
- 21 have to be resolved and worked through.
- 22 Phase 3 Engineering also verifies that

- 1 the work is being done according to the plans and
- 2 specs, verify that quantities being charged by the
- 3 contractor are verified and actual so that the public
- 4 is not being overcharged for, you know, materials
- 5 that are going into the project, that sort of thing.
- 6 There's a variety of tasks -- it's a
- 7 day to day presence on the project. Basically, you
- 8 can say that they're the owner's representative.
- 9 They represent our interest and the public's interest
- on the project during the construction phase.
- 11 Q And now is that unusual for a project of
- this scope to have Phase 3 engineering?
- 13 A No. Actually, the more complex the
- 14 project, the greater the need for Phase 3
- 15 Engineering.
- 16 Q And would you regard this as a complex
- 17 project?
- 18 A Yes, I would.
- 19 Q And in comparison to other County projects,
- 20 how would you compare them in terms of its relative
- 21 complexity?
- 22 A This is one of the most complex projects

- 1 we've ever undertaken. We currently have similar
- 2 project taking place at Rollins and 83 just north of
- 3 here, it might be a little more complex, but this is
- 4 right up here.
- 5 Q Rollins, did you also have Phase 3
- 6 engineering?
- 7 A Yes, we did.
- 8 Q The next item is Force Account Work by the
- 9 CNRR being the CN Railroad or in this proceeding, the
- 10 Wisconsin Cental. What does that refer to?
- 11 A This is the work that the Railroad needs to
- 12 undertake with regard to the track modifications
- during the course of the project, shoofly
- 14 connections, things like that.
- 15 Q And what work the Railroad is going to be
- doing, that's already been specified in the agreement
- 17 with the Railroad; is that correct?
- 18 A That's correct.
- 19 Q So that -- in terms of the scope of the
- 20 Railroad's work is already by agreement; is that a
- 21 fair statement?
- 22 A That number was provided to us by the

- 1 Railroad.
- 2 Q The number that's in there is the
- 3 Railroad's own estimates of the costs?
- 4 A That's correct.
- 5 Q Force Account Work by Metra, what does that
- 6 refer to?
- 7 A That's the work that Metra's crews need to
- 8 perform to construct the temporary station at the
- 9 commuter station at the Metra station to connect
- 10 commuters to the new alignment so that they could
- 11 still access the Metra trains on the shoofly.
- 12 Q And that work is done by Metra force?
- 13 A This is -- by "force account," it refers to
- 14 the work being done by Metra's crews.
- 15 Q And I think you already testified that
- 16 that's a necessary component of this project; is that
- 17 a fair statement?
- 18 A That's correct.
- 19 O And I think you earlier testified that
- 20 we're widening Washington Street from two to four
- 21 lanes in the area of this project to meet up with
- four lanes own either side; is that a fair statement?

- 1 A There's an existing four-lane section to
- 2 the east that we'll be matching up with. The portion
- 3 to the west is planned to be constructed about the
- 4 same time as this project. So it's not yet there,
- 5 but it will be by the time this project is complete.
- 6 Q Now, we have an estimate for the
- 7 construction and I don't want to dwell much on the
- 8 estimates, but just to address this, does that
- 9 estimates include the costs for the full four lanes?
- 10 A I don't know the answer to that.
- 11 Q Okay. Would you defer to --
- 12 A I would defer to Mike Pine on that.
- 13 Q Okay. We'll address that with Mr. Pine.
- 14 The County is also constructing a
- 15 second rail line by agreement with the Railroad; is
- 16 that right?
- 17 A A temporary shoofly.
- 18 Q Temporary or substructure widening to
- 19 accommodate second track I should say?
- 20 A We're providing additional substructure and
- 21 foundation that would be necessary for the Railroad
- in the future to provide a second track along -- or a

- 1 adjacent to this alignment.
- 2 Q And the Railroad is committing 1.5 million
- 3 for this widening; is that correct?
- 4 A That's correct.
- 5 Q And is that figure included in the total
- 6 project cost figure against which the County is
- 7 asking the 5 percent allocation to be applied?
- 8 A No, I believe that's been excluded.
- 9 Q And you were just looking at footnote 3
- 10 which addresses that?
- 11 A Right.
- 12 Q And this footnote, just incidentally,
- 13 appears to indicate that the construction accepts the
- 14 costs from that -- the estimate for the construction
- 15 for the cost for the roadway widening.
- 16 Do you see that?
- 17 A That's correct.
- 18 Q So this exhibit is accurate, it pulls out
- 19 the costs going from two to four lanes; is that a
- 20 fair statement?
- 21 A That's correct.
- 22 Q Still keeping out Exhibit U, Mr. Giertych,

- 1 and we'll make reference to other exhibits.
- 2 Directing your attention to Exhibit J, can you
- 3 identify that exhibit, Mr. Giertych?
- 4 A This is the estimate that was prepared, I
- 5 believe, by Patrick that breaks out the costs for the
- 6 additional two through lanes along Washington Street
- 7 within the limits of this Grade Separation Project.
- 8 O And if that Footnote 3 under Exhibit U is
- 9 accurate in terms of accepting out the costs for the
- 10 roadway widening, do you have an understanding
- 11 whether this total cost figure for the roadway
- 12 widening was filled out on that --
- 13 JUDGE KIRKLAND-MONTAQUE: Can you speak up?
- MR. GUNNARSSON: I'm sorry, Judge.
- 15 BY MR. GUNNARSSON:
- 16 Q That figure was pulled out of the cost for
- 17 the construction?
- 18 A Yes, that's correct. That's what's
- 19 reflected in the footnote and this is just a
- 20 breakdown of how that cost is arrived at.
- 21 Q Exhibit K, can you identify that exhibit?
- 22 A This is a Purchase Agreement with the bank

- 1 that we purchased the wetland credits from.
- 2 Q So the item that you referred to, wetland
- 3 banking, does this have reference to that?
- 4 A Yes.
- 5 Q And this provides the methodology for
- 6 getting a credit for the wetland banking?
- 7 A This is a record of how we acquired those
- 8 credits, yes.
- 9 Q Exhibit L, can you identify that document?
- 10 A Is this an e-mail -- Mike Siemitis
- 11 (phonetic) is our manager of our Design Department
- 12 and I had asked Mike to provide me with a cost for
- 13 the mitigation on this project and he was able to
- 14 calculate that we had a total impact of point 355
- 15 acres and that the wetland credits had been purchased
- at \$71,000 an acre, so the corresponding cost of
- mitigation was 25,240.
- 18 Q And that 71,000, is that in reference to
- 19 Exhibit J then --
- 20 A That's contained in the agreement that's
- 21 Exhibit J.
- 22 Q And with reference to Exhibit U, is that

- 1 the figure that was placed for the wetland banking?
- 2 A Yes. 25,240.
- 3 Q And just briefly, can you identify Exhibit
- 4 M?
- 5 A This is just a spreadsheet that Mike
- 6 Siemitis keeps that shows the status of our wetland
- 7 bank credits. So as we use credits, Mike has to keep
- 8 track of how many we've used so that we have enough
- 9 left in our bank account.
- 10 Q Okay. In reference to Items 9 and 10 of
- 11 this exhibit, does that refer to the Wetland banking
- 12 items for this project?
- 13 A Yes. Those are the two impacts for this
- 14 project which add up to the .355 acres.
- Q Skipping over to Exhibit O, can you
- 16 identify that document?
- 17 A This is the accounting ledger that our
- 18 Accounts Payable staff keeps for different section
- 19 numbers and this section number is for the
- 20 right-of-way acquisition on this project.
- 21 Q And does this show the actual right-of-way
- 22 costs for this project?

- 1 A Yes. This summary of this ledger shows
- that we've paid a total of \$2,580,591 to date.
- 3 O So those are actual costs incurred for
- 4 rights-of-way for this project?
- 5 A These are actual costs incurred to purchase
- 6 parcels and also related costs. For instance, I
- 7 think there's some minor costs here associated with
- 8 turning off the gas to a house that was located on
- 9 one of the parcels that we ended up demolishing, some
- of the costs associated with the demolition.
- 11 Q Okay. In order to use the right-of-way
- 12 that we've acquired?
- 13 A Right.
- 14 O And was that figure then entered in
- 15 Exhibit U for right-of-way acquisition?
- 16 A Yes. The right-of-way acquisition total is
- 17 the same, 2585,591.
- 18 Q And also on Exhibit O it shows payment for
- 19 easements from the Wisconsin Central; is that
- 20 correct?
- 21 A That's correct. We paid for two easements
- 22 from the Wisconsin Central.

- 1 O Okay. So the figure in Exhibit U for
- 2 right-of-way acquisition and Exhibit O includes the
- 3 actual costs for the Wisconsin Central rights-of-way?
- A Correct. That was \$11,100.
- 5 Q And looking back at Exhibit O, does that
- 6 include the purchases for all of the needed
- 7 right-of-way for this project?
- 8 A Yes, it is.
- 9 Q Briefly, Exhibit P, what is this document?
- 10 A Exhibit P shows the ledger for which
- 11 there's been no charges yet, but it shows the
- 12 starting amount for the Phase 3 contract with V3
- 13 Companies which is a professional engineering
- 14 services company that provides Phase 3 services.
- Q And that's not an actual cost yet incurred;
- 16 correct?
- 17 A No, that reflects the contract costs which
- 18 we have a contract in place with V3 and that's the
- 19 starting amount.
- 21 at DOT; is that right?
- 22 A Correct. This is an accounting ledger.

- 1 O And that estimated item amount was included
- 2 in Exhibit U; correct?
- 3 A Correct. It's the same amount 2,219,151.
- 4 Q Exhibit Q, can you identify that document?
- 5 A This is the estimate from Metra for the
- 6 platform construction work.
- 7 O This is the Metra force account work?
- 8 A Yes.
- 9 Q And that was also entered into Exhibit U;
- 10 is that correct?
- 11 A Yes. It's the same amount, 244,166.
- 12 Q And this is a document prepared by Metra
- that was provided to the County?
- 14 A Correct.
- 15 Q Exhibit R, can you identify that?
- 16 A This is the estimate that was provided to
- 17 us by the Wisconsin Central for the force account
- 18 work required by their personnel.
- 19 Q And that figure at bottom is also entered
- 20 into Exhibit U?
- 21 A That total matches the amount on Exhibit U
- 22 of 1,071,820.

- 1 Q Exhibit S, can you identify that document?
- 2 A This is an e-mail from Brian Fairwood at
- 3 TranSystems. I had asked Brian if he could provide
- 4 us with the amount that TranSystems had charged to
- 5 this project. In their work, as I mentioned, their
- 6 contract is to administer five different projects for
- 7 us and so this was the amount that he attributed to
- 8 their services on this project.
- 9 Q Exhibit T, can you identify that document?
- 10 A This is once again an accounting ledger and
- 11 this is for that contract with TranSystems for the
- 12 project and program management services that they're
- 13 providing us. And this is, once again, the total
- 14 amount for five different contracts.
- Of which the 380,000 is part of that?
- 16 A So the 380,000 is not reflect on this
- 17 sheet. This sheet only reflects the total amount of
- 18 the contract and the individual progress payments,
- 19 but it comes out of this total amount.
- 20 Q Gotcha. Was the 380,000 an actual cost
- 21 incurred?
- 22 A Yes, I believe it was.

- 1 O Exhibit V, can you identify that exhibit?
- 2 A This is, once again, an accounting ledger
- 3 and this is with Patrick Engineering and this is for
- 4 the Phase 1 engineering contract and it reflects the
- 5 total amount of the contract of 1,794,988.
- 6 Q So that's the same figure entered in
- 7 Exhibit U?
- 8 A That's the same figure on Exhibit U and
- 9 this is all charges that will be against this
- 10 contract.
- 11 Q Were they costs already incurred?
- 12 A This has all been incurred, yes.
- Q And this was prepared by the same
- 14 individual at DOT.
- 15 A Yes.
- 16 Q And is it her function to prepare
- 17 exhibits -- documents like that?
- 18 A Yes. That's...
- 19 Q It's a financial person in Accounting?
- 20 A She is an accounting person that keeps
- 21 track of contract payments and payments on
- 22 construction projects, engineering projects. All of

- our payments are processed through Wendy Roche
- 2 (phonetic).
- 3 Q Exhibit W, can you identify that?
- 4 A This is another accounting ledger, this is
- 5 with Patrick Engineering and this is for the Phase 2
- 6 contract and this shows the contract award amount of
- 7 2,020,454 and what we're showing on -- I'm sorry,
- 8 there was an addition to that contract, so it was
- 9 2,218,727 which is the amount reflected on Exhibit U.
- 11 still be some work, at least to engineering?
- 12 A This is contract to date. We have not
- 13 charged out the total amount in this contract yet,
- 14 but we're finishing up the contract right now.
- 15 Q And, again, this is -- ledger was prepared
- 16 by that same individual at DOT?
- 17 A That's correct.
- JUDGE KIRKLAND-MONTAQUE: Prepared by who?
- 19 BY MR. GUNNARSSON:
- 20 Q The same individual at DOT is responsible
- 21 for creating these ledgers?
- 22 A Right.

- JUDGE KIRKLAND-MONTAQUE: Okay. I didn't hear
- 2 you.
- 3 BY MR. GUNNARSSON:
- 4 Q I think we had skipped over -- just a
- 5 couple more exhibits that I'll ask you to identify.
- Just for the record, going back to
- 7 Exhibit D, I think you had testified at the July
- 8 hearing on this, but just to get this in the record,
- 9 what is Exhibit D?
- 10 A This basically explains our Challenge Bond
- 11 Program. When the new sales tax was enabled by the
- 12 RTA reform legislation that was passed in 2008, Lake
- 13 County realized additional course of sales tax for
- 14 transportation purposes and the County Board made a
- 15 decision to issue bonds to front end load that
- 16 program so that we can get some large projects
- 17 accomplished early in the program and this is just
- 18 the County Board resolution authorizing the issuance
- 19 of those bonds in the amount of \$90 million.
- 20 Q So to finance this project?
- 21 A This project, along with three others.
- 22 Q Going back to now Exhibit Z, Mr. Giertych,

- 1 is that the agreement between the County and
- 2 Wisconsin Central without the exhibits attached to
- 3 it?
- 4 A Yes, it is.
- 5 Q I'd like to direct your attention in
- 6 particular to what's on Page 4, item 1E -- actually
- 7 1E II. And does that provide that the County and the
- 8 Wisconsin Central agree that the amount of the
- 9 contribution by the Wisconsin Central to the project
- shall be determined by the ICC; is that right?
- 11 A Yes, it does.
- 12 Q Exhibit AA, the next Exhibit AA, can you
- identify that document?
- 14 A I thought we were done with Z.
- 15 Q No, we've got two more.
- 16 JUDGE KIRKLAND-MONTAQUE: If I could ask a
- 17 question really quickly --
- 18 MR. GUNNARSSON: Sure.
- 19 JUDGE KIRKLAND-MONTAQUE: -- about the
- 20 Exhibit Z.
- 21 MR. GUNNARSSON: Yes.
- JUDGE KIRKLAND-MONTAQUE: What did you cite as

- 1 stating that the ICC would determine something? Was
- 2 it Page 4?
- 3 MR. GUNNARSSON: It's the fourth page, Judge,
- 4 and it was at the bottom of E II, the very last few
- 5 lines of that paragraph.
- JUDGE KIRKLAND-MONTAQUE: I don't see -- is E
- 7 titled Reimbursement?
- 8 MR. GUNNARSSON: Yes.
- JUDGE KIRKLAND-MONTAQUE: And then I see one I
- 10 and then it goes to three Is.
- MR. GUNNARSSON: Well, it's kind of formatting.
- 12 Just above the three I, there's two Is --
- JUDGE KIRKLAND-MONTAQUE: Oh, okay.
- 14 MR. GUNNARSSON: In the body there, Judge.
- JUDGE KIRKLAND-MONTAQUE: Okay. Gotcha. I
- 16 didn't see it. Okay. All right. Thank you.
- 17 BY MR. GUNNARSSON:
- 18 O Is AA the contract for the Phase 3?
- 19 A Yes, it is.
- 20 Q All right. And, again, we have a figure in
- 21 that, but that's an estimated figure; is that
- 22 correct?

- 1 A That's correct.
- JUDGE KIRKLAND-MONTAQUE: I'm sorry, which
- 3 exhibit are you at now?
- 4 MR. GUNNARSSON: Double A.
- 5 JUDGE KIRKLAND-MONTAQUE: Where is --
- 6 MR. GUNNARSSON: There should be a yellow tab.
- 7 I ran out of --
- 8 JUDGE KIRKLAND-MONTAQUE: I see it.
- 9 BY MR. GUNNARSSON:
- 10 Q Looking at the very last page of that
- 11 exhibit it says, Total of all work.
- Do you see that, Mr. Giertych?
- 13 A Yes.
- 14 O And is that the amount that's estimated
- 15 that's put in Exhibit U?
- A 2,219,151, they're the same number, yes.
- 17 Q And, finally, Exhibit BB, what is that
- 18 document?
- 19 A This is our contract with TranSystems.
- 20 Q Which you already spoke of as far as the
- 21 program management?
- 22 A Program and project management services,

- 1 yes.
- 2 Q For which they're handling for -- several
- 3 projects for the County of which this is one of them?
- 4 A That is correct this is one of five
- 5 projects they handle for us.
- 6 Q Going back to Exhibit U in conclusion,
- 7 Mr. Giertych, each of the items that are indicated
- 8 here in Exhibit U that you've testified about, is it
- 9 your testimony that without any one of those items,
- 10 would this project go ahead?
- 11 A These are all necessary for the project to
- 12 be constructed and put in place.
- 13 MR. GUNNARSSON: Thank you, Mr. Giertych.
- Nothing further, your Honor.
- 15 JUDGE KIRKLAND-MONTAQUE: Okay.
- MR. GUNNARSSON: Actually, I would ask that the
- 17 exhibits that we've testified to -- it's A through D
- 18 and then J to double B be admitted.
- 19 JUDGE KIRKLAND-MONTAQUE: Give me a second. A
- through D.
- MR. GUNNARSSON: A through D, your Honor, and
- then J through double B, BB.

- 1 JUDGE KIRKLAND-MONTAQUE: Okay. Any objection
- 2 to admitting those exhibits?
- 3 MR. HEALEY: No, your Honor.
- 4 MR. POWERS: No objections, your Honor.
- 5 JUDGE KIRKLAND-MONTAQUE: Okay. Petitioner's A
- 6 through D and J through BB are admitted into
- 7 evidence.
- 8 (Whereupon, Petitioner's A through D
- 9 and J through BB were
- 10 admitted into evidence.)
- 11 MR. GUNNARSSON: Thank you, Judge. Nothing
- 12 further.
- JUDGE KIRKLAND-MONTAQUE: Mr. Healey?
- 14 MR. HEALEY: Can I review the Exhibit A, your
- 15 Honor?
- 16 JUDGE KIRKLAND-MONTAQUE: Sure.
- 17 CROSS-EXAMINATION
- 18 BY
- MR. HEALEY:
- Q Mr. Giertych, the project we've been
- 21 talking about is going to be widening Washington
- 22 Street from two lanes to four; is that correct --

- 1 A That's correct.
- 2 Q -- generally speaking?
- Okay. And you've identified on your
- 4 exhibit the touchdown points, which I think is you
- 5 said is where the road will effect a change of grade
- 6 from what it would otherwise be other than for the
- 7 going underneath the railroad; right?
- 8 A That's correct.
- 9 Q A number of the documents that we just
- 10 admitted into evidence discuss a part of the project
- 11 being between Haryan Way and Hainesville Road.
- 12 Can you show us where that is on the
- 13 Exhibit.
- 14 A Haryan Way is located here.
- 15 Q I'm sorry, Haryan Way?
- 16 A Yes.
- 17 Q Okay. Thank you. And then Hainesville
- 18 Road?
- 19 A Hainesville Road is actually further to the
- 20 west.
- 21 Q Okay.
- 22 A That's the next intersection.

- 1 Q If I'm understanding the exhibit, the west
- 2 touchdown point for the grade separation is just east
- 3 of Haryan Way; correct?
- 4 A That's correct.
- 5 Q So any cost element involved in something
- 6 between Hainesville Road and Haryan Way wouldn't be
- 7 attributable able to the grade separation; correct?
- 8 A That's correct, yes.
- 9 O And so any costs associated with that
- 10 shouldn't be attributed to the Railroad's 5 percent
- 11 contribution for what we're terming the overall
- 12 project because it's not related to the construction
- of grade separation?
- 14 A If it's not related to the work taking
- place within the touchdown limits, that's correct.
- 16 Q Do you know if the County did any work to
- 17 eliminate the costs that would be incurred by the
- 18 project for elements of the project outside of the
- 19 touchdown limits?
- 20 A I'm sorry, can you ask me that question
- 21 again?
- 22 Q Sure. Do you know if the County has done

- 1 anything with its cost estimates to eliminate the
- 2 portions of costs for items incurred outside of the
- 3 touchdown limits? And I could probably point you to
- 4 an example to show you --
- 5 A Okay.
- 6 MR. HEALEY: Do you remember, Gunnar, the
- 7 exhibit that had to do with the wetlands purchase?
- 8 MR. GUNNARSSON: Yes. That would have been J,
- 9 I believe. No, I'm sorry, K. K through --
- 10 MR. HEALEY: Wetlands purchased --
- MR. GUNNARSSON: K, L and M.
- 12 BY MR. HEALEY:
- 13 Q If I could direct the witness' attention to
- 14 Exhibit L. This is an e-mail, November 4th and it
- indicates the wetland permitting was done for
- 16 Washington Street, Hainesville to Haryan and Haryan
- 17 to Lake. The Haryan to Lake section only had
- 18 isolated wetland impacts.
- 19 Is the total cost item for that --
- 20 does that include the wetland purchases for both the
- 21 Hainesville to Haryan and Haryan to Lake segments of
- the project?

- 1 A No. That only -- what Mike did was he
- 2 explained that the permitting process was combined --
- 3 Q Okay?
- 4 A -- but then what he does is he breaks out
- 5 the portion from Haryan to Lake.
- 6 Q I'm not sure I read the e-mail that way.
- 7 Can you show me the part of the e-mail that indicate
- 8 that?
- 9 A He says, The wetland permitting was done
- 10 for both Washington Street from Hainesville to Haryan
- 11 and Haryan to Lake combined. The Haryan to Lake
- 12 section, which would be the second half of that, only
- 13 had isolated wetland impacts under Lake County
- 14 jurisdiction in the Mill Creek Basin and then it's
- 15 not real -- he doesn't go maybe as far as he could to
- 16 explain it, but the attached Neil -- Neil Marsh Bay
- 17 (phonetic) ledger is for that particular impact. I
- 18 had asked Mike for the wetland impacts for this
- 19 particular section and I believe that's what he's
- 20 providing me.
- 21 Q Okay. But his e-mail doesn't clarify that
- 22 either the .3555 acres or the acreage cost is limited

- tore the Haryan to Lake segment; is that correct?
- 2 A I agree it could be clearer and we'd be
- 3 happy to verify that.
- 4 Q Okay. You've presented an overall cost
- 5 item for the project of -- it's changed several
- 6 times -- it was about 33 million and we've backed out
- 7 a million half that the Railroad is already paying.
- 8 Does that overall project cost include
- 9 all of the costs for widening the road from Haryan
- 10 down to Hainesville?
- 11 A No, it does not.
- 12 Q Okay. So those items have been excluded?
- 13 There's -- I don't find references anywhere to the
- 14 fact that those were included. You've let
- 15 constructions contracts for a contractor who is going
- 16 to do the paving, they in the exhibits broken out the
- 17 difference in the cost of the paving between the
- 18 touchdown points and then outside of the touchdown
- 19 points?
- 20 A It's two separate projects. We have one
- 21 project from Haryan to Lake and a second contract
- 22 will be awarded later in '15 for Hainesville to

- 1 Haryan. So there's two separate construction
- 2 projects.
- 3 Q Okay. You'd agree with me that there's
- 4 portions of widening Washington street that are
- 5 outside of the touchdown limits? And even between
- 6 Lake and Haryan?
- 7 A Actually the portion east he have that east
- 8 touchdown is already widened that's a resurfacing
- 9 that will occur and I believe that's been broken out.
- 10 Q Okay. And then over here, there is a small
- 11 segment between the touchdown point and Haryan?
- 12 A I believe there, the touchdown point
- 13 reflects the limits of construction on the pavement.
- 14 O So is Washington going to remain two lanes
- 15 west of the west touchdown point or is the expansion
- 16 to four lanes going to be included in the Haryan to
- 17 Hainesville reconstruction?
- 18 A I believe that that's the point at which
- 19 the project to the west would match up, but I would
- 20 defer to Mike Pine to give you have a specific answer
- 21 on that -- a more detailed answer.
- 22 Q Okay. You -- in your testimony you

- 1 referenced a variety of land acquisition.
- 2 Do you have any diagram or exhibit to
- 3 sort of show the limits of what -- what land was
- 4 acquired for the project? And if there's a witness
- 5 that's better equipped to handle it, please feel free
- 6 to defer.
- 7 MR. GUNNARSSON: If I might, Tom, they put the
- 8 particular parcels in the Answers to Interrogatories,
- 9 so would that be satisfactory?
- 10 MR. HEALEY: I was looking for a visual
- 11 depiction of what was acquired, I wanted to know --
- 12 THE WITNESS: It's not complete, but it's the
- 13 majority of it on just a sheet for myself here that I
- 14 could show you.
- MR. HEALEY: If that's okay with you.
- 16 MR. GUNNARSSON: Yeah, that would be fine.
- 17 THE WITNESS: It doesn't reflect the
- 18 acquisitions that took place on the south side of
- 19 Washington. This is all on the north and it reflects
- 20 what's a take, what's a temporary easement and what's
- 21 a permitted easement.

22

- 1 BY MR. HEALEY:
- 2 Q And when you're indicating "take," that
- 3 would indicate that the County has acquired the fee
- 4 interest, the underlying ownership of the land?
- 5 A It's a fee simple acquisition, yes.
- 6 Q And then the permanent easement and
- 7 temporary easements -- well, the temporary easements
- 8 would be released once the project is concluded?
- 9 A That's correct.
- 10 Q And the permanent easements, obviously,
- 11 would be kept until even after the conclusion of the
- 12 project?
- 13 A There's one permanent easement that allows
- 14 a storm sewer to be run to the storm water management
- 15 facility. We have no need to have the over ground
- 16 rights to it.
- 17 Q Okay. What is the County going to do with
- 18 the take property, the fee acquisition?
- 19 A That will be -- that was necessary to
- 20 accommodate the slopes that are being created to
- 21 create the grade separation. There is also utilities
- 22 being located in those areas and bridge abutments,

- 1 bridge abutments grading and utility relocation.
- 2 One, if I could direct your attention to
- 3 Exhibit U, the first cost item involved was a program
- 4 management charge. I'm looking maybe to confirm,
- 5 maybe it's actually a better question for Gunnar, but
- 6 you have not included those costs in the allocation
- 7 to the Railroad; correct?
- 8 MR. GUNNARSSON: We have included -- and I was
- 9 incorrect in my reply. I e-mailed you toward the end
- 10 of last week that the County had included it in the
- 11 U, so I was incorrect in saying that. So that was
- 12 included and --
- 13 MR. HEALEY: I don't remember you sent an
- 14 e-mail, I'm not saying you didn't; but I don't
- 15 remember that.
- MR. GUNNARSSON: Okay.
- 17 MR. HEALEY: The reply brief that was filed on
- 18 behalf of the County --
- 19 MR. GUNNARSSON: Yes.
- 20 MR. HEALEY: -- indicated that those costs
- 21 would not be attributable to the Railroad and now you
- 22 are indicating that, in fact, they are.

- 1 MR. GUNNARSSON: We had in our main brief and
- 2 then in the Answers to Interrogatories. I thought we
- 3 pulled it out, but I was incorrect about that. We do
- 4 have it in there and, yeah, I did send you the
- 5 e-mail, yes, but it was by way of correction to the
- 6 reply brief.
- 7 MR. HEALEY: Okay. That's fine.
- 8 BY MR. HEALEY:
- 9 Q Mr. Giertych, if I understand, those costs
- 10 that were incurred by the County to accomplish work
- 11 that the County would otherwise accomplish if it had
- 12 sufficient manpower to do the work? I think that was
- 13 a fair summary of your testimony, but please correct
- 14 me if I'm wrong.
- 15 A They're functioning as an extension of
- 16 staff just as construction contractors, consulting
- 17 engineering, anyone else would.
- 18 Q The County is not looking to the Railroad
- 19 to be paying for the staff working on the project;
- 20 correct?
- 21 A Not for our internal staff, no.
- 22 Q So if the County had sufficient staff to

- 1 handle those elements of that program management,
- 2 wouldn't be -- the County wouldn't be seeking to have
- 3 the Railroad pay for those elements?
- 4 A If we did not have those expenses, we would
- 5 not be seeking to have them pay them, yes.
- 6 MR. HEALEY: I think that's all I have. Thank
- 7 you.
- 8 THE WITNESS: Thank you.
- 9 MR. GUNNARSSON: No follow-up, Judge.
- 10 JUDGE KIRKLAND-MONTAQUE: Mr. Powers, do you
- 11 have any questions?
- 12 MR. POWERS: I don't have any questions, your
- 13 Honor.
- 14 JUDGE KIRKLAND-MONTAQUE: Okay.
- MR. GUNNARSSON: No redirect, Judge.
- 16 JUDGE KIRKLAND-MONTAQUE: All right. Why don't
- 17 we take a 2 or 3-minute break before your next
- 18 witness.
- 19 (Break taken.)
- JUDGE KIRKLAND-MONTAQUE: Okay.
- 21 Mr. Gunnarsson, I'm ready when you are.
- MR. GUNNARSSON: Thank you, Judge. I call Mike

- 1 Pine.
- 2 MIKE PINE,
- 3 called as a witness herein, having been first duly
- 4 sworn, was examined and testified as follows:
- 5 DIRECT EXAMINATION
- 6 BY
- 7 MR. GUNNARSSON:
- 8 Q Mr. Pine, can you state your name for the
- 9 record and spell your last name.
- 10 A Michael Pine, P-i-n-e.
- 11 Q Who is your employer, Mr. Pine?
- 12 A Patrick Engineering.
- 13 Q What is your position at Patrick?
- 14 A Project manager.
- 15 Q What duties are entailed in your position
- 16 as project manager?
- 17 A In my position, I oversee our project
- 18 engineers, our staff engineers working on various
- 19 projects, oversee the preparation of plans,
- 20 specifications and estimates.
- Q What is your engineering education?
- 22 A I have a bachelor of science degree from

- 1 University of Illinois in Civil Engineering.
- 2 Q Are you licensed?
- 3 A Yes. I'm licensed in Illinois.
- 4 Q How long have you been a project engineer
- 5 for Patrick Engineering?
- 6 A Well, I'm project manager, which is for two
- 7 years. I was project engineer prior to that.
- 8 Q And how long were you a project engineer?
- 9 A Four years.
- 10 Q Are you familiar with Washington -- County
- of Lake's Washington Street Grade Separation Project?
- 12 A Yes.
- 13 Q And what is your role with respect to that
- 14 project?
- 15 A I manage the Project Team on that project
- and I oversee the preparation of the plans,
- 17 specifications and estimates.
- 18 Q And by "Project Team," who are you
- 19 referring to?
- 20 A I'm referring to our engineers on staff as
- 21 well as some consultants that we have on our overall
- 22 Project Team working on the project.

- 1 Q Staff -- the staff at Patrick Engineering;
- 2 is that right?
- 3 A Yes.
- 4 Q And you're familiar with the engineering
- 5 plans for the project?
- 6 A I am.
- 7 Q Do those plans include utility relocations?
- 8 A Yes.
- 9 Q And why must utilities be relocated for
- 10 this project?
- 11 A Well, as a result of the change in profile
- 12 grade that will occur as part of the project, a
- 13 number of utilities are in conflict and will need to
- 14 be relocated in order for the project to take place.
- 15 Q So without relocating the utilities, you
- 16 couldn't change the grade; is that a fair statement?
- 17 A Yes.
- 18 Q Are just public utilities involved or also
- 19 private utilities?
- 20 A The project in total will require
- 21 relocation business both private and public
- 22 utilities.

- 1 Q As to the costs for the private utility
- 2 relocations, who is paying for those costs?
- 3 A The private utilities are responsible for
- 4 those costs.
- 5 Q So I'd like to reference Exhibit U, what
- 6 you have in front of you. The line item for
- 7 construction -- I know it's an estimate -- but did
- 8 that include any costs for private utility
- 9 relocation?
- 10 A It does not.
- 11 Q And it's not the -- strike that.
- 12 With respect to the public utilities
- 13 that need to be relocated, what public utilities
- 14 should be relocated?
- 15 A The Village of Grayslake has water main and
- 16 sanitary sewer that require relocation. Lake County
- 17 Public Works has sanitary as well and Central Lake
- 18 County JAWA also requires a water main relocation.
- 19 O And referring again to Exhibit U, the line
- 20 item for construction, does that include the costs
- 21 for the public utility relocation?
- 22 A Yes.

- 1 Q You're familiar with this exhibit, am I
- 2 right, Mr. Pine?
- 3 A Yes.
- 4 O There's a box or a table beneath the
- 5 various line items.
- 6 Do you know what that table is in
- 7 reference to?
- 8 A It appears to be the cost allocations to
- 9 the various agencies.
- 10 Q And indicated here are LCPW, do you know
- 11 what that refers to?
- 12 A Lake County Public Works.
- 13 Q And CLC JAWA, what does that refer to?
- 14 A That's Central Lake County Joint Action
- 15 Water Agency.
- 16 Q And then Grayslake is -- the municipality
- of Grayslake?
- 18 A Yeah, the Village of Grayslake.
- 19 Q So those are the three public utilities; is
- 20 that a fair statement?
- 21 A Yes.
- 22 Q And so they're contributing some figures

- 1 here. Is that the entire amount of the utility
- 2 relocation costs that they're contributing?
- 3 A They are not paying 100 percent of the
- 4 associated costs, that's the portion that they are
- 5 paying.
- 6 Q Do you know what portion they're paying?
- 7 A I could not say definitively, but in most
- 8 instances, it would be 20 percent.
- 9 O That's the usual allocation?
- 10 A Yes. But the actual cost breakdown would
- 11 be determined as part of an agreement between the
- 12 County and those agencies.
- 13 Q With respect, again, to the estimate for
- 14 the construction costs, that includes all of the
- 15 costs for the utility -- public utility relocation;
- is that your understanding?
- 17 A Yes.
- 18 Q Notwithstanding that the three public
- 19 utilities are contributing a certain percentage,
- 20 possibly 20 percent of the costs?
- 21 A Correct.
- 22 Q The costs for sidewalk construction, is

- 1 that also included within the construction cost
- 2 estimate?
- 3 A Yes.
- 4 Q And the cost for the bike path relocation,
- 5 is that also included in the construction costs?
- 6 A Yes.
- 7 Q Why does this project include sidewalk
- 8 construction?
- 9 A It includes sidewalk construction to meet
- 10 the needs of the pedestrian traffic in the area.
- 11 It's a requirement as part of the Complete Streets
- 12 Law that we propose sidewalk as well as bike path and
- it is then the option of the local agency to
- 14 determine if they want to propose that facility, in
- this case, the Village of Grayslake.
- 16 Q And by "Complete Streets," what are you
- 17 referring to?
- 18 A That's -- in a sense, it's a policy or a
- 19 law that requires that all modes of transportation be
- 20 considered, which includes vehicles, pedestrians and
- 21 bicyclists.
- 22 Q So does the bike path exist prior to the

- 1 project?
- 2 A Yes. There's an existing bike path.
- 3 Q And what is being done with the bike path?
- 4 A Well, as a result in the change in profile,
- 5 a new bike path would need to be reconstructed, so it
- 6 would be replaced with a path at a different grade.
- 7 Q And why is the -- that included in this
- 8 project?
- 9 A Again, that is required that we provide
- 10 that as part of the Complete Streets Law and as part
- of the public process and the interest by the local
- 12 agency, it was determined to be included in the
- 13 project.
- 14 O I'd like to direct your attention to what's
- 15 been marked as Exhibit J, Mr. Pine.
- 16 Can you identify that document?
- 17 A Yes. This is an estimate prepared by
- 18 Patrick Engineering entitled the Incremental Costs
- 19 for Adding Two Through Lanes Along Washington at the
- 20 Railroad Underpass.
- 21 Q So you did this calculation?
- 22 A Most of it, yes.

- 1 Q And what was the purpose of this
- 2 calculation that you undertook?
- 3 A This was an effort to estimate the overall
- 4 contractor project costs how much of that was
- 5 specifically attributed to adding two additional
- 6 through lanes.
- 7 Q And is that adding two additional through
- 8 lanes from touchdown to touchdown?
- 9 A Yes.
- 10 Q Just going through these different items,
- 11 the first one is earth excavation, how did you arrive
- 12 at that calculation?
- 13 A What we did was we calculated the area
- 14 between the existing and proposed roadway profiles
- and then multiplied that by the width of 24 feet,
- 16 which is what we attributed to be the width of two
- 17 additional through lanes and came up with an
- 18 associated volume.
- 19 Q So -- and a cost per unit volume?
- 20 A Yes.
- Q And that figure is 288,000; is that
- 22 correct?

- 1 A Yes.
- 2 Q And that's to represent the incremental
- 3 cost of excavation for adding two additional through
- 4 lanes?
- 5 A Yes.
- 6 Q Roadway pavement, can you describe how you
- 7 made that calculation?
- 8 A We took the length of the limits of
- 9 reconstruction, which in this instance, is just under
- 10 2000 feet and multiplied that by the width of two
- 11 additional through lanes, which is 24 feet and
- 12 multiplied that by the appropriate unit cost.
- 13 Q And that results in a bottom of \$297,920;
- 14 is that right?
- 15 A Yes.
- 16 Q And this represent the incremental costs of
- 17 widening Washington Street from two to four lanes in
- 18 the touchdown to touchdown area; is that right?
- 19 A Yes.
- 20 Q Bridge is the next item. Can you describe
- 21 how you made that calculation?
- 22 A Sure. For the bridge costs, that's

- 1 incremental to the widening for two additional
- 2 through lanes, we estimated the amount of steel
- 3 associated with reducing the spans by 24 feet and,
- 4 multiplied it out by an estimated unit price.
- 5 Q So -- and the bottom line you figure, you
- 6 have \$401,280; is that right?
- 7 A Yes.
- 8 Q So this is -- represents the incremental
- 9 widening of the bridge to be constructed due to
- 10 having four lanes rather than two lanes; is that
- 11 correct?
- 12 A Yes. It represents the costs we attribute
- 13 to having the span be 24 feet longer.
- 14 O And the last item is retaining wall. Can
- 15 you describe what that calculation is?
- 16 A We determined that if the cross section is
- 17 24 feet narrower that this would, in effect, reduce
- 18 the wall height, so we calculated the volume of
- 19 concrete and associated rebar that would go along
- 20 with that to arrive at a reduction in the retaining
- 21 wall cost.
- 22 Q And that's \$124,215?

- 1 A Yes.
- 2 O And that's the incremental costs due to
- 3 having four lanes rather than two lanes for the
- 4 retaining wall; is that right?
- 5 A Yes.
- 6 Q And these cost items, those were an effort
- 7 at identifying the additional costs from going to two
- 8 to four lanes; is that correct?
- 9 A Correct.
- 10 Q Going back to Exhibit U and the
- 11 construction line item estimate. Is it -- there's
- 12 Footnote 3 that talks about the costs not including
- 13 costs associated with roadway widening.
- 14 Do you see that?
- 15 A Yes.
- 16 Q So do you have an understanding as far as
- 17 that construction line item, whether it included this
- incremental cost that you calculated in Exhibit J?
- 19 A It does include this cost.
- 20 O So you took that out of the construction
- 21 line item?
- 22 A No, the construction line item includes the

- 1 \$1.1 million incremental cost.
- Q Okay. And did you create this exhibit,
- 3 you, Mr. Pine?
- 4 A I did not.
- 5 Q And just to briefly -- I know you already
- 6 testified back in July to this, but this is part of
- 7 it just to get it into the record, referring to
- 8 Exhibit F.
- 9 Can you identify that document?
- 10 JUDGE KIRKLAND-MONTAQUE: I'm sorry, which one?
- 11 MR. GUNNARSSON: Exhibit F, your Honor.
- 12 JUDGE KIRKLAND-MONTAQUE: Okay.
- 13 THE WITNESS: Yes. This is a benefit analysis
- that I had done for the project in 2009.
- 15 BY MR. GUNNARSSON:
- 16 Q And that's an effort at quantifying the
- 17 crash benefit from the project?
- 18 A Yes.
- 19 Q And what was the figure that you arrived
- 20 at?
- 21 A \$5,648,925.
- 22 Q And what does that essentially represent

- based on your calculation?
- 2 A It's -- there's a number of factors that go
- 3 into the equation, but the idea that this figure
- 4 represents the probability of there being a crash
- 5 over a certain period given the crossing type and the
- 6 traffic volumes and then taking that probability and
- 7 combining it with the average cost of various injury
- 8 types.
- 9 Q And essentially trying to put a number to
- 10 the mitigation of the crashes --
- 11 A Yes.
- 12 Q -- resulting from the crossing --
- 13 A Yes.
- 14 0 -- crossing accidents, okay.
- 15 And where did you get that formula
- 16 that you used? I'll direct your attention to
- 17 Exhibit J -- G, I should say?
- 18 A Yes. Exhibit G, which is from the Illinois
- 19 Department of Transportation, Bureau of Local Roads
- 20 and Streets Manual includes a formula for estimating
- 21 the crash benefit.
- 22 Q Okay. And that's the formula that you used

- 1 in Exhibit F; is that right?
- 2 A Yes.
- 3 Q Are there other benefits from the grade
- 4 separation other than mitigating the crash benefit
- 5 that you didn't include within your calculation?
- 6 A I do not know if it's an exhibit, but I had
- 7 done a delayed benefit estimate as well, that
- 8 estimated the value of driver's times over the length
- 9 of the design, the length of the project not having
- 10 to wait for trains.
- 11 Q You -- with respect to widening Washington
- 12 Street from two to four lanes from touchdown to
- 13 touchdown, is it your understanding that any of those
- 14 costs are included from widening beyond the west
- 15 touchdown point as indicated in Exhibit A3? And if
- 16 you need to go up to the exhibit, please do.
- 17 A Could you reword that?
- 18 Q The costs for the widening of the roadway
- 19 from two to four lanes, are any of those costs
- 20 attributable that we've been talking about to
- 21 widening the roadway west of the west touchdown
- 22 point?

- 1 A No. The reconstruction limit is strictly
- 2 as called out on the west touchdown limit.
- 3 MR. GUNNARSSON: I have nothing further, Judge.
- JUDGE KIRKLAND-MONTAQUE: Okay. Mr. Healey.
- 5 MR. HEALEY: Just a few questions for Mr. Pine.
- 6 CROSS-EXAMINATION
- 7 BY
- 8 MR. HEALEY:
- 9 Q With respect to the three public utilities,
- 10 do you have a recollection of what percentage of the
- 11 relocation costs that each is going to be paying for
- 12 the project? For example, the Lake County PW, Public
- Works, I assume?
- 14 A I do not know the exact percent. I believe
- it's 20 percent as a minimum.
- 16 Q Okay. The CLC JAWA, my recollection is one
- 17 of the earlier exhibits of the cost item had a
- 18 substantially greater cost than that for this.
- Do you know -- is that true and if so,
- 20 what the reason for the reduction and what their
- 21 contribution is?
- 22 A Is the other estimate one of the exhibits?

- 1 Q In this docket, we've had several versions
- of the the breakout of the cost items and I'm trying
- 3 to find it to see if I can find one on-line because I
- 4 didn't bring it with me today, but that number seems
- 5 significantly lower than what we've seen in the past.
- 6 MR. GUNNARSSON: Judge, if I may, there was an
- 7 earlier -- Exhibit C, if that's what you're
- 8 referencing, that will be the May 2014 estimate of
- 9 costs.
- 10 MR. HEALEY: There you go. That's fine.
- 11 Thanks.
- MR. GUNNARSSON: Sure.
- 13 BY MR. HEALEY:
- 14 O That's -- if we look at Exhibit C, the CLC
- JAWA cost is a little over 233,000 and the current
- exhibit, U, has a little short of 15,000.
- 17 Are you aware of why they'll be
- 18 contributing a lot less than previously suggested by
- 19 the County?
- 20 A Well, these figures were developed as part
- 21 of the -- an agreement between the County JAWA and
- 22 with this utility, in particular, circumstances in

- 1 that apportion of their existing utility is within an
- 2 easement that they have the right to stay within. I
- 3 believe that they are also being granted a new
- 4 easement to be relocated within. So as a result of
- 5 them existing where they are at, by right and not
- 6 being required to move, I think the County negotiated
- 7 some sort of cost trade off to have them relocate,
- 8 but I do not know the details of the breakdown.
- 9 Q Was any of the change in costs reflected
- 10 from Exhibit C to Exhibit U the result of a change in
- 11 the estimate for the actual relocation of the
- 12 utility?
- 13 A Not that I'm aware.
- 14 Q Okay. So the reduction in the cost
- 15 reflected from Exhibit C to the current break out,
- 16 which is Exhibit U, to your understanding, was the
- 17 result of discussions between the County and JAWA
- 18 relative to legal rights and property right and so
- 19 on?
- 20 A I believe so.
- 21 Q Okay. Can you identify for us on the large
- 22 Exhibit A blowup the general location of each of the

- three utilities, if you know?
- 2 A The Grayslake water main is in blue. It
- 3 would be relocated right here. All the utilities are
- 4 using the same corridor. The Grayslake and Lake
- 5 County Public Works sanitary sewer is in green, which
- 6 is right next to the blue.
- 7 Q Okay.
- 8 A And the Central Lake County JAWA is not
- 9 shown on the exhibit, but it follows a similar
- 10 corridor as all the rest of these utilities and going
- 11 to the north slope.
- 12 Q Okay. Thank you.
- 13 If I can turn your attention back to
- 14 Exhibit J. You had indicated you prepared the
- 15 exhibit; correct?
- 16 A Correct.
- 17 Q And this was an effort to identify and
- isolate the costs incurred by the project solely as a
- 19 result of the expansion of Washington Street from two
- 20 lanes to four lanes?
- 21 A Yes.
- 22 Q Okay. And in doing so, you -- if I'm

- 1 reading this correctly and I'm not the engineer, but
- 2 if I'm reading it correctly, you've essentially
- 3 reduced by 24 feet, for example, the length of the
- 4 spans that the Railroad will sit on to span over the
- 5 expanding Washington Street?
- 6 A That's right.
- 7 Q If I can turn your attention to Exhibit
- 8 B -- I guess it would be the fourth page of Exhibit B
- 9 that I'm thinking of -- again, I'm not an engineer,
- 10 but if I'm reading it correctly, the spans are going
- 11 to be lengthened not just for the expanded roadways
- 12 but also for a space in the center of the road that
- 13 will currently -- that will, as planned, divide the
- 14 eastbound and the westbound lanes; is that correct?
- 15 A Yes, the median.
- 16 Q The median, thank you, if that's what we're
- 17 going to call it.
- Do you know at the location of the
- 19 bridge what the median width is going to be?
- 20 A I believe it's going to be 4 feet.
- 21 Q Okay. It also indicates that the spans
- 22 will have to span the sidewalk and bicycle path that

- will be installed in the project; correct?
- 2 A Yes.
- 3 Q And if I understand, you were not asked to
- 4 identify the additional costs incurred because of the
- 5 addition of the median, the sidewalk and the bicycle
- 6 path to the grade separation, you haven't been asked
- 7 to estimate those costs?
- 8 A Correct.
- 9 MR. HEALEY: By way of reference, your Honor, I
- 10 raise those questions because I'm looking at the
- 11 regulation which him talking about the theoretical
- 12 structure to be built says for the number of lanes on
- 13 the existing highway, and clearly, the span is being
- 14 designed for more than -- the reduction, in our
- opinion, should be for more than simply the addition
- of the two lanes of traffic, if the theoretical
- 17 design is designed for the current highway alignment,
- 18 things like the sidewalk and median and so on
- 19 shouldn't be included.
- 20 MR. GUNNARSSON: That's an argument, but
- 21 certainly --
- 22 MR. HEALEY: Understood.

- 1 MR. GUNNARSSON: -- it's a necessary component
- 2 of the project --
- 3 MR. HEALEY: Understood.
- 4 MR. GUNNARSSON: -- the regulation talks about
- 5 percent of project costs. The project doesn't
- 6 happen without the bike path being brought underneath
- 7 and the sidewalk, it doesn't happen.
- 8 MR. HEALEY: And that's fine. I just wanted to
- 9 give the context for the questions.
- 10 And I think that's all the questions
- 11 that I have.
- 12 JUDGE KIRKLAND-MONTAQUE: Mr. Powers, do you
- 13 have any questions?
- MR. POWERS: No questions, your Honor.
- MR. GUNNARSSON: No follow-up, judge.
- 16 JUDGE KIRKLAND-MONTAQUE: Okay. You may be
- 17 excused.
- MR. GUNNARSSON: We call Mr. Steve Heath.

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22

- 1 STEVEN HEATH,
- 2 called as a witness herein, having been first duly
- 3 sworn, was examined and testified as follows:
- 4 EXAMINATION
- 5 BY
- 6 MR. GUNNARSSON:
- 7 Q Mr. Heath, could you state your name for
- 8 the record and spell your last name.
- 9 A Yes. Steven Heath. Last name Heath,
- 10 H-e-a-t-h.
- 11 Q Mr. Heath, who is your employer?
- 12 A Patrick Engineering.
- Q What is your position?
- 14 A Chief railroad engineer.
- 15 Q What is your engineering education?
- 16 A I have a bachelor's of science in Civil
- 17 Engineering from the university of Illinois.
- 18 Q And are you licensed?
- 19 A Yes. I'm a licensed professional engineer
- 20 in Illinois and Pennsylvania.
- 21 Q What are your duties in your current
- 22 position?

- 1 A I work with the railroad projects that
- 2 Patrick handles and now currently mainly reviewing
- 3 plans and giving directions to the staff on the
- 4 design layouts.
- 5 Q And how long have you been in your current
- 6 position, Mr. Health?
- 7 A I've been with Patrick Engineering
- 8 19 years.
- 9 Q And have you been in that position that you
- 10 currently occupy all 19 years or have you changed
- 11 positions?
- 12 A No. Well, I've been doing mainly reviewing
- 13 the last two years; up until then, I was a project
- 14 manager for mostly rail projects.
- 15 Q But throughout your 19 years, would it be a
- 16 fair statement that your involvement was most often
- 17 with rail projects?
- 18 A Yes. Yes. My whole work with Patrick has
- 19 been with railroad projects, yes.
- 20 Q Are you familiar with the County of Lake's
- 21 Washington Street Grade Separation Project?
- 22 A Yes.

- 1 Q What is your role with respect to that
- 2 project?
- 3 A I work with railroad portion of the
- 4 project, which included the design of the railroad
- 5 shoofly for the Railroad.
- 6 Q And I'd like to direct -- did you have --
- 7 were you done with your answer?
- 8 A No, yes, that's fine.
- 9 Q I direct your attention to Exhibit B in the
- 10 booklet in front of you, Mr. Heath, could you
- 11 identify that document?
- 12 A Yes. Exhibit B is the portion of the plan
- 13 set for the Washington Street grade separation.
- 14 O Did Patrick Engineering prepare those
- 15 plans?
- 16 A Yes.
- 17 Q And did you have involvement in Patrick's
- 18 preparation of those plans?
- 19 A Yes.
- 20 Q Are you familiar with the term "Phase 2
- 21 Engineering?"
- 22 A Yes.

- 1 Q What is your understanding of that term?
- 2 A Phase 2 engineering is the development of
- 3 the detailed engineering plans and specifications for
- 4 the actual construction of the project.
- 5 Q So Exhibit B, are these the engineering
- 6 plans for Phase 2?
- 7 A Yes.
- 8 Q And you said that they're contract
- 9 specifications that are also developed?
- 10 A Yes.
- 11 Q Are you familiar with the term "Phase 1
- 12 Engineering"?
- 13 A Yes.
- 14 O And what is your understanding of that
- 15 term?
- 16 A That's generally the initial engineering
- 17 study of the project and defining the overall scope
- 18 and the approach. And, for instance, on the grade
- 19 separation like this, whether it's better to take the
- 20 highway over or under the project and get that
- 21 concept layout defined.
- 22 Q And did Patrick Engineering do the Phase 1

- 1 engineering for the County as well?
- 2 A Yes, we did.
- 3 Q And did you have involvement in the Phase 1
- 4 engineering?
- 5 A Yes.
- 6 Q Without the Phase 1 engineering, would
- 7 there be a Grade Separation Project?
- 8 A No.
- 9 Q It's a necessary component of the project?
- 10 A Yes. That's just the normal stages that
- 11 any project like this goes through.
- 12 Q And could you build this project without
- the Phase 2 plans and specifications?
- 14 A No.
- Q Are you familiar with the term "touchdown
- 16 to touchdown" in the context of a Grade Separation
- 17 Project?
- 18 A Yes.
- 19 Q And what is your understanding of that
- 20 term?
- 21 A My understanding, that's the points at
- 22 which the road profile elevation deviates from the

- 1 existing to either get over or under the railroad at
- 2 the grade separation.
- 3 Q And looking at Exhibit A3, the blowup in
- 4 front of you, does that accurately show the touchdown
- 5 to touchdown limits of this project?
- 6 A Yes.
- 7 Q Just incidentally, do you happen to know
- 8 the distance involved in those two points?
- 9 A Yes. Roughly 1900 and some feet just a
- 10 little less than 2000, I think.
- 11 Q From west touchdown to --
- 12 A Yes.
- 13 Q -- touchdown?
- Do the plans call for a temporary
- 15 roadway?
- 16 A Yes, they do.
- 17 Q And why is that?
- 18 A A temporary road runaround is generally
- 19 used to maintain the highway traffic so the highway
- 20 traffic can stay while the new grade separation is
- 21 being constructed. These projects, construction
- 22 takes a two-year period usually and the temporary

- 1 roadway allows the highway traffic route around the
- 2 construction so the road can stay in operation and it
- 3 doesn't have to be closed.
- 4 Q And in looking at Exhibit A3, does that
- 5 appear to accurately say where the temporary roadway
- 6 is in purple?
- 7 A Yes. Yes. The purple route shows the
- 8 temporary road runaround.
- 9 Q And referring to Exhibit B, what pages can
- one find the plans for the temporary roadway or
- 11 runaround?
- 12 A It starts here on this Page 6 through about
- 13 Page 9. It shows the temporary road runaround here.
- 14 O And there are also plans for temporary
- 15 railroad track or --
- 16 A Yes.
- 18 A Yes.
- 19 Q And why is that part of the plans?
- 20 A Again, that's so that the railroad can
- 21 maintain its operation, again, during the two-year
- 22 construction period of the bridge so it's a temporary

- 1 railroad alignment around the bridge.
- 2 Q Are you familiar with Metra property and
- 3 station adjacent to the tracks?
- 4 A Yes, I am.
- 5 Q And it's indicated on Exhibit A3?
- 6 A Yes.
- 7 Q Is the Metra station affected by the
- 8 project?
- 9 A Yes. The current Metra platform there for
- 10 the Grayslake station, actually, is within the limits
- 11 of the shoofly.
- 12 Q So -- let me direct your attention to
- 13 Exhibit Q. It was earlier marked and identified as a
- 14 Metra's force account estimate.
- Do you see that?
- 16 A Yes.
- 17 Q Is it your understanding that Metra, as
- 18 part of the project, will be doing some work on this
- 19 project using their own staff?
- 20 A Yes. Yes. Metra forces will actually do
- 21 the construction of the temporary Metra platform
- which will be along the shoofly so that the commuters

- 1 can maintain access to the Metra commuter trains
- 2 through the project.
- 3 Q Without that platform, construction --
- 4 would commuters be able to access --
- 5 A No.
- 6 Q -- the station?
- 7 A No. Because the shoofly is within the
- 8 limits. They won't have access from the existing
- 9 platform to the shoofly at all.
- 10 Q I direct your attention to Exhibit H. Do
- 11 you see that exhibit, Mr. Heath?
- 12 A Yes.
- Q Can you identify that?
- 14 A Yes. This is the description of work
- 15 functions that the CN Railroad or Wisconsin Central
- 16 Limited forces will be actually performing.
- 18 A I'm not sure.
- 19 Q But does it accurately state your
- 20 understanding --
- 21 A Yes.
- 22 Q -- Metra -- the CN will do?

- 1 A Yes.
- 2 Q And just, briefly, Exhibit I, can you
- 3 identify that document?
- 4 A Yes. That's the estimate for the cost of
- 5 the Railroad's force account work.
- 6 Q And that's Patrick's own estimate on force
- 7 account?
- 8 A No.
- 9 O The Railroad's force account?
- 10 A Right. That came from CN.
- 11 Q That came from CN?
- 12 A Yes. That's their estimate.
- 13 Q Just so I ask you, in reference to
- 14 Exhibit R that was previously marked?
- 15 A Oh, yes. Okay.
- 16 Q That appears to be the actual --
- 17 A That's the actual CN --
- 18 Q -- is that accurate?
- 19 A Yeah, this might have -- yeah, this might
- 20 have been our -- yes. Exhibit R, is the CN actual
- 21 estimate that was received from CN.
- Q Okay. Exhibit R may have been Patrick's

- 1 own estimate?
- 2 A Yes.
- JUDGE KIRKLAND-MONTAQUE: I'm sorry, I didn't
- 4 hear the answer.
- 5 BY MR. GUNNARSSON:
- 6 Q Was that a yes?
- 7 A Yes.
- 8 Q Briefly looking at Exhibit V?
- 9 MR. HEALEY: I'm sorry, did you say "D"?
- 10 MR. GUNNARSSON: V, as in Victor.
- 11 MR. HEALEY: Thank you.
- 12 BY MR. GUNNARSSON:
- 13 Q This was earlier testified as a spreadsheet
- 14 from the County DOT showing Phase 1 payments to
- 15 Patrick Engineering.
- Do you see that?
- 17 A Yes.
- 18 Q And does that figure accurately reflect
- 19 your understanding of what Patrick has been paid for
- 20 its Phase 1 Engineering work?
- 21 A Yes. That's correct.
- 22 Q And Phase 1 engineering is completed; is

- 1 that accurate?
- 2 A Yes.
- 3 Q The next exhibit, W, again, previously
- 4 testified as account spreadsheet. This is for Phase
- 5 2 engineering work from Patrick Engineering. The
- 6 costs indicated, does that agree with your
- 7 understanding of Patrick's charges for Phase 2
- 8 engineering?
- 9 A Yes.
- 10 Q There is still some Phase 2 work yet to be
- 11 done?
- 12 A Yes. Very little, but...
- 13 Q So there's not a final figure quite yet?
- 14 A Yes.
- 15 Q And, to your knowledge, the figures for
- 16 costs already incurred in V and W, have they been
- 17 paid by the County to Patrick?
- 18 A Yes.
- JUDGE KIRKLAND-MONTAQUE: I'm sorry, I didn't
- 20 hear the end.
- 21 BY MR. GUNNARSSON:
- 22 Q Have they been paid by the County to

- 1 Patrick?
- 2 A Yes.
- 3 MR. GUNNARSSON: I have nothing further for
- 4 Mr. Heath.
- 5 JUDGE KIRKLAND-MONTAQUE: Mr. Healey?
- 6 MR. HEALEY: Thank you, your Honor.
- 7 CROSS-EXAMINATION
- 8 BY
- 9 MR. HEALEY:
- 10 Q Mr. Heath, with respect to Exhibit V and W,
- which you have identified as the Phase 1 and Phase 2
- work on the project, those costs for which Patrick
- are hired are attributable to the grade separation
- 14 being installed over the Wisconsin -- under the
- 15 Wisconsin Central; correct?
- 16 A Yes, that's right.
- 17 Q They're not for the Hainesville to Haryan
- 18 portion of the project?
- 19 A Yes, that's right. That portion of the
- 20 project is not included in these exhibits.
- 21 Q Okay. Was anything done by Patrick to
- 22 break out the costs that would be included in either

- 1 Exhibit V or W attributable to the additional lanes
- of traffic being added at the grade separation?
- 3 A No, not that I'm aware.
- 4 Q Was anything done to break out the costs
- 5 for the additional sidewalks and median of the grade
- 6 separation?
- 7 A No, not that I'm aware of.
- 8 Q Was anything done to break out the
- 9 additional costs for utility relocations?
- 10 A No, not that I'm aware of.
- 11 MR. HEALEY: Okay. Thank you. I have nothing
- 12 further, your Honor.
- 13 JUDGE KIRKLAND-MONTAQUE: Mr. Powers?
- 14 MR. POWERS: No questions, your Honor.
- MR. GUNNARSSON: No follow-up.
- 16 JUDGE KIRKLAND-MONTAQUE: All right.
- 17 MR. GUNNARSSON: Thank you, Mr. Heath.
- 18 MR. HEALEY: Thank you, Mr. Heath.
- 19 MR. GUNNARSSON: Judge, our last witness is
- 20 Mr. Brian Fairwood.
- JUDGE KIRKLAND-MONTAQUE: Okay.
- MR. GUNNARSSON: And before we get to

- 1 Mr. Fairwood, I think we had just a few exhibits that
- 2 hadn't been admitted yet, F, G, H and I that we've
- 3 identified and marked for the record and we ask that
- 4 they be admitted.
- 5 JUDGE KIRKLAND-MONTAQUE: Any objection?
- 6 MR. HEALEY: No objection, your Honor.
- 7 JUDGE KIRKLAND-MONTAQUE: Okay. Petitioner's
- 8 Exhibits F, G, H and I are admitted.
- 9 (Whereupon, Petitioner's
- 10 Exhibit Nos. F, G, H and I were
- 11 admitted into evidence.)
- MR. GUNNARSSON: Thank you, Judge.
- 13 BRIAN FAIRWOOD,
- 14 called as a witness herein, having been first duly
- sworn, was examined and testified as follows:
- 16 DIRECT EXAMINATION
- 17 BY
- MR. GUNNARSSON:
- 19 Q Mr. Fairwood, can you state your name for
- the record and spell your last name?
- 21 A Brine L. Fairwood F-a-i-r-w-o-o-d.
- 22 Q Mr. Fairwood, who is your employer?

- 1 A TranSystems Corporation.
- Q What is your position with TranSystems?
- 3 A Currently vice president with the firm.
- 4 O What is your educational background?
- 5 A I have a bachelor's of science degree in
- 6 Civil Engineering from Marquette University.
- 7 Q Are you licensed as an engineer?
- 8 A No.
- 9 Q What are your duties in your current
- 10 position?
- 11 A Currently, I'm an account client manager
- 12 with TranSystems.
- 13 Q And what is involved in being a client
- 14 manager for TranSystems?
- 15 A I provide consulting services related to
- 16 transportation engineering for our client's projects.
- 17 Q And how long have you been in that
- 18 position?
- 19 A I've been employed by TranSystems for 21
- 20 years.
- 21 Q And in that position for 21 years?
- 22 A No. In this position for approximately

- 1 seven years and previous number of roles within the
- 2 company related to transportation engineering.
- 3 Q Are you familiar with the County of Lake's
- 4 Washington Street Grade Separation Project?
- 5 A Yes.
- 6 Q What are your duties with respect to that
- 7 project?
- 8 A TranSystems is performing in a program
- 9 management role and -- particularly to myself, I am
- 10 working with the County to assist them with the
- 11 preparation of their agreements with a number of the
- 12 agencies that were involved with the project.
- 13 Q That -- and does that go for all the
- 14 projects that TranSystems currently has with the
- 15 County?
- 16 A To a certain extent. I didn't prepare all
- of the agreements that the County had with all of
- 18 their Challenge Bond Projects, but I have been
- involved with numerous agreements.
- 20 Q And as far as your involvement in preparing
- 21 agreements for this project, the Grade Separation
- 22 Project --

- 1 A Mm-hmm.
- 3 those agreements that you were involved in preparing?
- 4 A Primarily for the Grade Separation Project,
- 5 I was involved with preparing the draft petition
- 6 for -- the draft ICC petition, I should say, and
- 7 developing Exhibit C, which is the cost breakdown for
- 8 the various stakeholders.
- 9 Other agreements that you were involved in
- 10 for this project?
- 11 A To a smaller or lesser extent, some of the
- 12 agreements with the communities, although I believe
- it was, in this instance, Grayslake.
- 14 O Okay. Is that with respect to what aspects
- 15 of the project?
- 16 A Just the -- some of the language within the
- 17 agreements themselves and helping our staff prepare
- 18 initial drafts for final review and approval by the
- 19 County for their use with negotiating with these
- 20 various agencies.
- 21 Q In order to effectuate the project?
- 22 A Yes.

- 1 Q I'd like to direct your attention to what's
- 2 been previously marked as Exhibit C. You have it in
- 3 front of you.
- 4 A Mm-hmm.
- 5 Q That's a May 2014 breakdown of various cost
- 6 items for this project; is that correct?
- 7 A Yes.
- 8 Q And did you prepare that exhibit?
- 9 A Yes.
- 10 Q And at the time was that exhibit accurate
- in terms of the information you had available to you?
- 12 A Yes.
- 13 Q Is there a more current estimate of costs?
- 14 A Yes.
- 15 Q And directing your attention to Exhibit U,
- 16 can you identify that exhibit?
- 17 A Yes.
- 18 O And is that the more current estimate of
- 19 costs you just mentioned?
- 20 A Yes.
- 21 Q Did you prepare this exhibit?
- 22 A Yes.

- 1 Q And I'd like to just go through these items
- 2 and just ask you a couple of brief questions about
- 3 each.
- 4 Program management, what does that
- 5 refer to?
- 6 A That refers to services that have been
- 7 provided by TranSystems specific to the Washington
- 8 Street CN Underpass Project.
- 9 Q In just a little bit we'll into how you
- 10 calculated that figure, but let's move on to Phase 1
- 11 engineering. Where did you obtain that figure?
- 12 A Lake County provided me with that figure.
- 13 Q And would that also go for Phase 2
- 14 engineering?
- 15 A Yes.
- 16 Q And right-of-way acquisition?
- 17 A Yes.
- 18 Q Wetland banking?
- 19 A Yes.
- 20 O The construction estimate?
- 21 A Construction estimate was developed by
- 22 Patrick Engineering.

- 1 Q And how was that estimate developed? What
- went into developing that construction estimate?
- 3 A I would defer to Mike Pine with Patrick
- 4 Engineering.
- 5 Q So you got the figure from Mike Pine?
- 6 A Yes.
- 7 Q The -- there's a Footnote No. 3 --
- 8 A Yes.
- 9 O -- for this exhibit and it references
- 10 constructions and then in parentheses, with
- 11 exceptions of costs associated with roadway widening
- 12 and substructure widening for future second track.
- Do you see that?
- 14 A Yes.
- 15 Q Okay. What is the reference to
- 16 substructure widening for future second track?
- 17 A That are the costs associated with
- 18 ultimately having additional track constructed at
- 19 this location at the request of the CN Railroad.
- 20 O And is that the \$1.5 million that is
- 21 referenced just above that --
- 22 A Yes.

- 1 Q -- in that same footnote?
- 2 So did you take that figure out of the
- 3 figure for the costs in reference to this Exhibit U
- 4 for the construction?
- 5 A Those numbers were taken out of the cost
- 6 breakdown for the CN Railroad in determining their
- 7 final participation number of 3,057,242.
- 8 Q Okay. Okay. And is that the same with the
- 9 costs associated with roadway widening?
- 10 A Yes.
- 11 Q So that was taken out of the table and
- 12 below the costs; is that correct?
- 13 A Correct. That was -- that was solely taken
- 14 out of the costs attributed to the CN number that you
- 15 see there.
- 16 Q Okay. And the costs -- the CN costs, the
- 17 \$3 million -- the 3 million and some change --
- 18 A Mm-hmm.
- 19 Q -- cost estimate which you're referring to?
- 20 A Yes.
- 21 O That includes the 1.5 million; correct?
- 22 A Correct.

- 1 Q So what I'm asking you is, with respect to
- 2 that Footnote C, it says, Construction and then in
- 3 parentheses, with the exception of costs associated
- 4 with roadway widening and substructure widening for
- 5 future second track, was that -- that's in reference
- 6 to the CN's 5 percent contribution; correct?
- 7 A Correct.
- 8 Q So in calculating here, the CN's 5 percent
- 9 contribution, did you take out of that figure that
- 10 you're applying the 5 percent to the costs associated
- 11 with roadway widening and substructure widening for
- 12 future second track?
- 13 A Yes.
- 14 O And the second part of that, the
- substructure widening is the 1.5 million; right?
- 16 A Correct.
- 17 Q You didn't apply 5 percent to that?
- 18 A Correct.
- 19 Q And the cost of the roadway widening, did
- 20 you get that figure from Patrick Engineering?
- 21 A Yes.
- 22 Q And, in particular, Mike Pine?

- 1 A Yes.
- Q Okay. I'd like to direct your attention to
- 3 Exhibit J.
- 4 Do you see that?
- 5 A Yes.
- 6 Q And it says the total costs at the bottom.
- 7 Do you see that figure?
- 8 A Yes.
- 9 Q Was that the figure you pulled out of the
- 10 5 percent calculation of the CN's contribution?
- 11 A Yes.
- 12 Q All right. So the 5 percent that you have
- included for the CN's contribution of project costs
- 14 did not include 5 percent of the costs of the
- 15 substructure widening, which is 1.5 million; is that
- 16 right?
- 17 A Correct.
- 18 Q Nor the costs estimated by Patrick for the
- incremental costs from two to four lanes of 1.11 to
- 20 1.5 --
- 21 A Correct.
- Q -- million?

- 1 And then the remaining amounts then
- for the CN's contribution, the 3,057,242 includes
- 3 that 5 percent with exception of those costs you just
- 4 described and then the 1.5 million contribution; is
- 5 that right?
- 6 A Yes.
- 7 Q I'd like to direct your attention to --
- 8 let's stay, just briefly, on Exhibit U. In
- 9 construction there are costs included for utility --
- 10 public utility relocation; is that right?
- 11 A Yes.
- 12 Q And that's included within the construction
- 13 estimate figure?
- 14 A I believe so.
- 15 Q In that table that is prepared here for the
- various contributions, do you see the Lake County
- 17 Public Works and the CLC JAWA, C-L-C J-A-W-A, in
- 18 Grayslake.
- Do you see those items?
- 20 A Yes.
- 21 Q So there are three items for contributions
- 22 by these public utilities; is that correct?

- 1 A Yes.
- 2 Q Do those contributions represent the entire
- 3 cost of the utility relocation?
- 4 A I do not know.
- 5 Q How did you get those figures?
- 6 A Those figures were provided to me by
- 7 engineering staff at TranSystems and also the County
- 8 related to the agreements that were prepared --
- 9 arrangement agreements that were prepared between
- 10 those agencies and the County.
- 11 Q Did you hear the earlier testimony about,
- 12 possibly, a 20 percent contribution figure --
- 13 A Yes.
- 14 Q -- that I believe Mr. Pine referenced?
- 15 A Yes, I heard that.
- 16 Q Do you think that's roughly accurate in
- 17 terms of how these calculations were made or do you
- 18 know?
- 19 A I'm not sure at this point.
- 20 Q Okay. Just to clear up one item that came
- 21 up with an earlier witness, you see the CLC JAWA
- 22 contribution?

- 1 A Mm-hmm.
- 2 Q Exhibit U of 14,802?
- 3 A Yes.
- 4 Q And comparing to Exhibit C --
- 5 A Yes.
- 6 Q -- it has for that same entity 233,506.
- 7 Do you see that?
- 8 A Yes.
- 9 Q Do you know what accounts for the reduction
- 10 in that figure?
- 11 A No.
- 12 Q But the figure in Exhibit U, that's the
- 13 more accurate figure as far as you understand --
- 14 A Those are --
- 15 Q -- contribution?
- 16 A -- these numbers represent the latest costs
- 17 for each of these items.
- 18 Q I'd like to direct your attention to
- 19 Exhibit P, just very briefly.
- 20 That was -- you testified earlier as
- 21 the beginning spreadsheet for the Phase 3 engineering
- 22 costs?

- 1 A Yes.
- 2 Q V3 is the contractor; is that correct?
- 3 A Yes.
- 4 Q What is your understanding of what Phase 3
- 5 engineering entails?
- 6 A My understanding is -- for Phase 3
- 7 engineering, described here entails overseeing the
- 8 construction of the underpass improvements related to
- 9 this project.
- 10 Q That's the engineer that worked with the
- 11 contractor during construction?
- 12 A Yes.
- 13 Q I'd like to direct your attention to
- 14 Exhibit S.
- Can you identify that document?
- 16 A Yes.
- 17 Q What is it?
- 18 A It is an e-mail that I sent to the County
- 19 to describe the costs associated with our program
- 20 management services for this project.
- 21 Q And how was that figure, which is indicated
- 22 at 380,000 arrived at?

- 1 A It was determined through our overall
- 2 contract with the County. We had individual line
- 3 items within our scope attributed to each of the
- 4 Challenge Bond Projects that we were working on.
- 5 Some of those costs are allocated with this
- 6 particular project and there were general overall
- 7 tasks associated with our assignment as well that
- 8 contribute to that number.
- 9 Q Is TranSystems' contract a contract based
- 10 on the amount of time the different personnel devoted
- 11 to different projects?
- 12 A Yes. It's at an hourly based contract.
- 13 Q So the 380,000 is that then based on the
- 14 hours that were allocated by TranSystems staff to
- this particular grade separation project?
- 16 A Part of that number was derived by hours
- 17 directly for this project and other tasks related to
- 18 overall program management services for the County
- 19 that are also related to this project.
- 20 Q So any amount of this 380,000 not related
- 21 to work on this project by TranSystems?
- 22 A Not to my understanding.

- 1 Q Okay. I direct your attention to
- 2 Exhibit T. You earlier testified it's a spreadsheet
- 3 of the payments to TranSystems. It references
- 4 contracts amount.
- 5 Do you see that?
- 6 A Yes.
- 7 Q Is that consistent with your understanding
- 8 of what TranSystems has been paid for its various
- 9 projects with the County?
- 10 A To my knowledge, yes.
- 11 Q Exhibit Y. Can you identify that exhibit?
- 12 A Yes.
- 13 Q What is that exhibit?
- 14 A This exhibit was prepared by our program
- 15 manager to identify costs associated with our overall
- 16 contracts with the County to provide program
- 17 management services for their Challenge Bond Program.
- 18 Q And as different projects in Line 6, it's
- 19 highlighted --
- 20 A Line 6 identifies this particular project
- 21 and the costs associated with that.
- 22 Q Has this project been bid out for

- 1 construction?
- 2 A There was a bid last month, yes.
- 3 Q I'd like to direct your attention to
- 4 Exhibit X.
- 5 Can you identify that document?
- 6 A Yes. This is a bid tab from IDOT, bids
- 7 received on November 21st, 2014.
- 8 Q Is this a publically available document?
- 9 A Yes, it is on IDOT -- currently it's on
- 10 IDOT's Web site.
- 11 Q And did you obtain this document?
- 12 A Yes.
- 13 Q Do you know if the bid has been accepted by
- 14 IDOT yet?
- 15 A The bid has not been accepted yet.
- 16 Q So a contract has not yet been signed?
- 17 A A contract has not been awarded by IDOT and
- 18 the contract has not been signed.
- 19 O So I take it, it would be a fair statement
- 20 then, your construction cost estimate put into
- 21 Exhibit U could change obviously based on the actual
- 22 costs resulting from the contract and the performance

- 1 of the contract; is that correct?
- 2 A Yes.
- 3 Q And just also very briefly, Exhibit BB --
- 4 A Yes.
- 5 Q -- I just ask if you could identify that
- 6 that's the overall contract that TranSystems has with
- 7 the County --
- 8 MR. HEALEY: I'm sorry?
- 9 BY MR. GUNNARSSON:
- 10 Q -- or program management -- is Exhibit BB,
- 11 the contract that TranSystems has with Lake County
- 12 under the Challenge Bond Program that you already
- 13 testified to?
- 14 A Yes.
- MR. GUNNARSSON: I have nothing further, Judge
- 16 except I ask to -- you know, I think I had asked to
- 17 admit from J through BB, but we hadn't had testimony
- on X or Y until Mr. Fairwood. So just to clarify for
- 19 the record, I'd ask that X and Y be admitted.
- 20 JUDGE KIRKLAND-MONTAQUE: X and Y are already
- 21 admitted.
- 22 MR. HEALEY: I think they already are.

- 1 MR. GUNNARSSON: Yeah, just to clarify. Thank
- 2 you, Judge. Nothing further.
- JUDGE KIRKLAND-MONTAQUE: Mr. Healey?
- 4 MR. HEALEY: I have no questions for the
- 5 witness. I thank him for his time.
- 6 MR. POWERS: No questions.
- 7 MR. GUNNARSSON: No further witnesses, Judge.
- 8 JUDGE KIRKLAND-MONTAQUE: All right. Any
- 9 witnesses from you, Mr. Healey?
- 10 MR. HEALEY: I have no witnesses. We'd
- 11 appreciate an opportunity to do sort of a closing
- 12 summary --
- 13 JUDGE KIRKLAND-MONTAQUE: Okay.
- 14 MR. HEALEY: -- if Mr. Powers didn't have
- 15 anything else.
- 16 JUDGE KIRKLAND-MONTAQUE: Did you have any
- 17 questions?
- MR. POWERS: No questions.
- 19 JUDGE KIRKLAND-MONTAQUE: All right. Well,
- 20 before I get to the closing arguments, pursuant to
- 21 Illinois Administrative Code Section 200.500, I am
- 22 going to call Mr. Powers as a witness.

- 1 (Witness sworn.)
- 2 DANIEL POWERS,
- 3 called as a witness herein, having been first duly
- 4 sworn, was examined and testified as follows:
- 5 EXAMINATION
- 6 BY
- JUDGE KIRKLAND-MONTAQUE:
- 8 Q Please speak up so the court reporter can
- 9 hear you.
- 10 A Sure.
- 11 Q Please state your name for the record and
- 12 spell your last name.
- 13 A Daniel Powers, P-o-w-e-r-s.
- 14 O And who do you work for, Mr. Powers?
- 15 A Illinois Commerce Commission.
- 16 Q And what's your position at the Commerce
- 17 Commission?
- 18 A Senior railroad safety specialist.
- 19 Q And how long have you been in that
- 20 position?
- 21 A 15 years.
- 22 Q And are you assigned as the Staff to this

- particular docket?
- 2 A Yes.
- 3 Q So you're familiar with the plans and
- 4 proposals that have been prepared by the petitioner?
- 5 A Yes.
- 6 Q Okay. In your 15 years at the Commission,
- 7 have you ever been involved in a case like this that
- 8 raised the question of what costs should be allocated
- 9 in the 5 percent of federal regulation?
- 10 A No.
- 11 Q In your experience at the Commission, have
- 12 you been involved in other cases similar to this case
- 13 in which there is a grade separation to this
- 14 magnitude that we're seeing today?
- 15 A Yes.
- 16 Q How often? How many other -- if you could
- 17 quesstimate?
- 18 A Well, as far as ones that involved federal
- 19 funding, I can't recall if I've actually been the
- 20 Staff assigned to that, but other Staff have been.
- 21 Q Okay.
- 22 A I'd say at least one or two others that may

- 1 or may not have involved federal funding.
- Q Okay. And you said that you've never --
- 3 this issue has never been raised before in any of
- 4 your cases?
- 5 A No, your Honor.
- 6 Q In the other cases that you might have or
- 7 even if you're aware of other Staff involvement in
- 8 this federal funding case, could you recall how the
- 9 parties allocated the 5 percent under the federal
- 10 regulation to the railroad?
- 11 A From past research and experience, it's
- 12 usually 5 percent of the total project cost from
- 13 touchdown to touchdown assigned to the Railroad.
- 14 O So you're saying it's all inclusive of
- 15 costs that are within touchdown to touchdown?
- 16 A Yes, your Honor.
- 17 JUDGE KIRKLAND-MONTAQUE: Okay. Does anyone
- 18 else have any questions tore Mr. Powers?
- 19 MR. GUNNARSSON: No follow-up.

20

21

22

- 1 CROSS-EXAMINATION
- 2 BY
- 3 MR. HEALEY:
- 4 Q Just to confirm what you're saying,
- 5 Mr. Powers, is that as far as you know, no one has
- 6 ever raised this issue before?
- 7 A Not to my knowledge, no.
- 8 MR. HEALEY: Thank you. I have nothing
- 9 further.
- 10 JUDGE KIRKLAND-MONTAQUE: That's all. Thank
- 11 you, Mr. Powers.
- 12 Okay. So I will -- I will allow the
- parties to make a closing statement, if you'd like.
- Go to ahead, Mr. Gunderson.
- 15 CLOSING ARGUMENT
- 16 BY
- 17 MR. GUNNARSSON:
- Just following up on what Mr. Powers
- 19 testified to. I think that's consistent with the
- 20 County's position, which is the regulation -- I think
- 21 the regulation in it's substance clearly states --
- 22 really, the operative language is that B3 of the

- 1 regulation, your Honor, taking part of this
- 2 sentence -- the Railroad's share of the project costs
- 3 shall be 5 percent, no ifs ands or buts. The
- 4 reference in C1 says the required -- the required
- 5 Railroad share under B3 -- which I just mentioned --
- 6 shall be based on the costs for preliminary
- 7 engineering, right-of-way and construction within the
- 8 limits described below and -- described below, I
- 9 would argue -- argued in our brief, but that that's
- 10 the touchdown to touchdown limits. That's the limits
- 11 that's being referenced in C1 under description.
- 12 Preliminary engineering, right-of-way
- and construction are descriptive of what a project
- 14 is. There are -- you have three stages. You've got
- 15 the design stage, the fleshing out the project. What
- 16 should be the project entail? How do we design it?
- 17 What are the specifications? All of which -- and I
- think, actually, elsewhere in the regulatory scheme,
- 19 your Honor, it is preliminary engineering actually is
- defined and I'll relate it here, it's in 646.204,
- 21 your Honor, so the same subpart where this regulation
- is found it says that preliminary engineering is the

- 1 work necessary to produce construction plans,
- 2 specifications and estimates to the degree of
- 3 completeness required for undertaking construction
- 4 thereunder including locating, surveying, designing
- 5 and related work. It's an all-inclusive preliminary
- 6 cost idea of putting a project together and designing
- 7 the project.
- Right-of-way is self-evident, that's
- 9 acquiring the -- I don't think there's any dispute
- 10 about what right-of-way acquisition is. There's a
- 11 dispute, evidently on its application here and then
- 12 construction is the building.
- 13 And those are the three phases of a
- 14 project like this, designing it and conceiving it --
- designing it, getting the rights-of-way needed and
- 16 then building it. So it's descriptive of what a
- 17 grade separation project is. The limits are the
- 18 touchdown to touchdown limits. The Railroad's share
- is 5 percent of project costs.
- 20 The Railroad takes the position as
- 21 stated in Mr. Healey's brief, they dispute the
- 22 program management fee, which we have testimony from

- 1 Mr. Fairwood about; the Phase 2 engineering costs
- 2 those are the plans and the specifications, they
- 3 dispute that, I don't see how that can possibly be
- 4 disputed because the project doesn't occur without
- 5 it. Phase 3 engineering for a complex project, the
- 6 testimony is, and has been, that you really need an
- 7 engineer working with the contractor to be sure it is
- 8 built according to plans and address matters that
- 9 arise during the construction of any complex project
- 10 of this nature.
- 11 Utility relocation, that's also
- 12 contested. The project doesn't happen without
- 13 utilities being relocated. You can't have the grade
- 14 separation. You can't leave the utilities floating
- in the air. They have to be relocated, just as you
- 16 have to have the plans, just as you have to have the
- 17 engineer working with the contractor.
- 18 The Metra force account work is also
- 19 contested, but that is necessary to the project
- 20 because the Metra's platform is impacted by, actually
- 21 the, temporary railroad track, which is necessary to
- 22 keep trail track moving just as right-of-way is

- 1 necessary for, among other reasons, not only the
- 2 grading because of the change in slope of the roadway
- 3 to bring it down underneath the tracks, but to
- 4 maintain traffic on Washington Street, it's a very
- 5 busy east-west thoroughfare in Lake County. You
- 6 can't have the project without maintaining traffic,
- 7 just as you couldn't have the project without
- 8 maintaining the rail traffic. So the shoofly is
- 9 necessary, that results in an impact on the Metra
- 10 platform. You've got to keep the station in
- 11 operation. If you can't keep that station in
- 12 operation, you don't have a project. If you can't
- 13 keep the traffic on Washington Street moving, you
- 14 don't have a project. You don't have utility
- 15 relocation, there's no project; you don't have it
- 16 without the plans, you don't have it without the
- 17 engineer's work. All of this are necessary elements
- 18 of this project.
- Now, that 5 percent figure, as I noted
- 20 in our brief, that's a figure that was developed by
- 21 the Secretary of Transportation to identify what is a
- 22 Railroad's benefit and responsibility for a grade

- 1 separation project. So the question is whether there
- 2 is a benefit to the Railroad as there is benefit to
- 3 the public? The Secretary chose that under the
- 4 enabling legislation as the amount the Railroad
- 5 should pay because it realizes a benefit from it --
- 6 from the project. The legislation doesn't talk about
- 7 only paying a percentage of this benefit. Allowing
- 8 the Secretary to choose and select what that
- 9 contribution should be already incorporates a
- 10 discount for the Railroad -- a substantial discount,
- 11 they pay 120 of the cost because it's presumed that
- 12 not all of the costs benefit the Railroad; but
- 13 certainly a big share of the costs do benefit the
- 14 Railroad, the regulation says 5 percent. And, again,
- it's 5 percent, no if ands or buts, 5 percent of the
- 16 project costs.
- 17 The testimony, I think, supported the
- 18 necessity of each of these items in Exhibit U. As I
- 19 indicated at the outset and I think we also
- 20 stipulated during the course of this, it should be
- 21 5 percent of the actual costs. So to extent that
- 22 costs have already been incurred and paid should --

- 1 for this project, it should be 5 percent of those
- 2 costs. To the extent that right now what we have in
- 3 Exhibit U are merely estimated costs such as the big
- 4 line item, which is the construction costs, estimated
- 5 in Exhibit U as being 23 million -- it looks like the
- 6 bids are going to come out a little below that --
- 7 construction may be a little more or a little less;
- 8 but whatever it ends up being, it should be 5 percent
- 9 of the actual figure.
- 10 So at the end of the project, there
- 11 should be some sort of reconciliation to ensure that
- 12 the Railroad pays 5 percent of the project costs, no
- 13 more and no less. That's what the regulation says is
- 14 its share. That's what they're mandated by law to
- pay, I argue and, really, that's an attempt at
- 16 realizing what the Railroad also benefits from this,
- 17 as I argued at the outset, railroads and highways
- 18 exist together. The problems caused to traffic and
- 19 the dangers from rail crossings are as much due to
- 20 the presence of the highways and the road traffic and
- 21 the increasing road traffic as to the presence of the
- 22 railroads. There's a joint responsibility for

- 1 alleviating problems and this is one -- a big project
- 2 in Lake County to alleviate a big problem in that
- 3 County, a delay property and a big safety problem.
- 4 The Railroad is obliged to pay a share of that.
- 5 Lastly and, again, following up on
- 6 what Mr. Powers alluded to, no -- I think it's one
- 7 thing that Tom and I agree on is -- we have found in
- 8 all of the national jurisprudence I've looked and
- 9 looked, no contested case decision under this
- 10 regulation applying the 5 percent; but I think there
- 11 is prior -- there are prior ICC orders that are by
- 12 agreement that Mr. Powers alluded to -- that that
- 13 5 percent of the project cost from touchdown to
- 14 touchdown it's County's position has been
- incorporated in other ICC agreed orders on these
- 16 projects. I mentioned two in the closing on my
- 17 brief, the City of Galesburg versus BNSF Railway,
- 18 T10-0048 and the County of DuPage versus BNSF
- 19 Railway, T08-0006.
- 20 In the Galesburg case, it was
- 21 5 percent of the project cost that included
- 22 preliminary engineering, it included land

- 1 acquisition, utility relocation, that was a contested
- 2 item there, 5 percent; construction engineering was
- 3 also included as a cost item, that's our Phase 3
- 4 construction costs and then, of course, the
- 5 construction. All of that was paid at a 5 percent
- 6 level without pulling out any isolated items.
- 7 In the DuPage case, the same thing, is
- 8 really 5 percent of the total of the project costs,
- 9 included items -- again, contested here -- relocation
- 10 of public utilities and evidently in that case, there
- 11 were -- appear to be railings for the walkway and
- 12 that's another cost item that the Railroad paid the
- 13 5 percent share to.
- 14 So in closing, your Honor, I think the
- 15 authority supports 5 percent of all project costs
- 16 from touchdown to touchdown. I think the
- 17 Commission's agreed order precedent supports it. I
- 18 think the regulation says it. I think the regulatory
- 19 scheme agrees with that, all of which supports the
- 20 County's position that the Railroad should pay 5
- 21 percent of the actual contractor -- construction
- 22 costs from touchdown to touchdown for this grade

- 1 separation project.
- 2 Thank you.
- JUDGE KIRKLAND-MONTAQUE: Mr. Healey?
- 4 MR. HEALEY: Thank you, your Honor.
- 5 CLOSING ARGUMENT
- 6 BY
- 7 MR. HEALEY:
- 8 I think, first of all, the Railroad
- 9 would like to than Gunnar and Lake County. We've
- 10 enjoyed working on this project --
- MR. GUNNARSSON: Same here.
- MR. HEALEY: -- and we look forward to
- 13 finishing it with you as well as the one in Rollins.
- 14 The issues you have in front of you
- 15 today I think were established from two attorneys who
- did their best to find things and one, obviously,
- 17 very seasoned Staff member from the Commission
- 18 indicate these issues haven't been considered before
- 19 and maybe we are writing from a blank slate, but that
- 20 doesn't mean that the fact that Railroads have paid
- 21 these costs in the past somehow has modified what's
- 22 the clear language of the regulation.

- 1 Mr. Gunnarsson has, in his
- 2 questionings and in his closings has repeated
- 3 assertions about what is necessary for the project.
- 4 I don't think "necessary" is a part of the
- 5 regulation. To read the regulation as the County
- 6 would you have read it, they could have stopped at B
- 7 and simply left it with the all project cost and,
- 8 yet, Section C has a variety of terms and limitations
- 9 that I think need to give you pause and say, Wait a
- 10 minute, there are a bunch of limits on what project
- 11 costs are included in the Railroad allocation.
- 12 Explicitly C1 talks about limiting
- 13 it -- the Railroad's participation to the costs of
- 14 the grade separation for the numbers of lanes of the
- 15 existing highway. Now, obviously, Mr. Gunnarsson has
- 16 acknowledged that and the County has made reasonably
- 17 good efforts to try to exclude the costs that are
- 18 attributable to the fact that the roadway is going
- 19 from two lanes to four; but that language right there
- 20 tells you the intent isn't simply to say "touchdown
- 21 to touchdown" for the project, there is a limitation
- on it to say you know, what it's going to have to be

- 1 smaller than that; the Railroad's participation is
- 2 not going to include those costs.
- 3 C1 also talks about the theoretical
- 4 highway profile from touchdown to touchdown, and,
- 5 again, County has done a reasonably good job, it
- 6 would appear, with trying to breakout costs incurred
- 7 by the project outside of that. My point in raising
- 8 it is not that the County has ignored the language,
- 9 but simply to say that there are limitations in
- 10 Section C. Section C at the beginning talks about
- 11 the preliminary engineering right-of-way and
- 12 construction costs. If all project costs were
- 13 needed, what's the need for having language like that
- in there for them to delineate the particular
- 15 elements of costs that are included in the project?
- And I think, perhaps, most troubling
- 17 from the County's position is C2 where it talks where
- 18 another facility, such as a highway or a waterway
- 19 needs to be bridged. Those costs also have to be
- 20 included from the theoretical structure.
- I think the County's approach to the
- 22 project is, figure out where the touchdown lanes are

- 1 and acknowledgement for the expansion of the road and
- 2 everything else is included and the regulation is
- 3 telling you something different. The regulation is
- 4 telling you that were building a theoretical bridge
- 5 here on which to apply the costs. They have to build
- 6 an actual bridge and it will be concrete and metal
- 7 and, et cetera, and I'm sure it will look beautiful,
- 8 but that doesn't mean the Railroad is going to pay
- 9 for all of that. The regulation is limiting you from
- 10 paying for all of the items within the touchdown
- 11 limit.
- We've talked already about the million
- 13 and a half dollars that the Railroad has agreed to
- 14 contribute for extra width abutments to accommodate
- 15 an additional span. Just by way of background, the
- 16 regulation has a provision for including those costs
- in the project if the Railroad has, what we'll call
- 18 them, immediate or impending plans to add a second
- 19 track. We don't. We think someday. This line is
- 20 our primary connection between everything from here
- 21 down to the Gulf and Western Canada. So it's -- it's
- 22 likely that at some point it will be a double track,

- 1 but, you know, we've acknowledge we don't have plans
- in the budget, it's not in our about three-year
- 3 budget forecast, so we're paying 100 percent of that
- 4 cost.
- We've also talked about the fact that
- 6 the County has agreed that the costs of making the
- 7 bridge spans longer because of the additional lanes
- 8 needs to be excluded from the costs that the
- 9 application of the 5 percent would apply to.
- 10 Again -- but I think these are just
- 11 sort of indicative of the things that need to be
- 12 excluded and it's not -- we haven't enumerated the
- 13 whole thing.
- 14 Mr. Giertych talked about the fact
- 15 that the project incorporates a new sidewalk on one
- 16 side and a new 10-foot bicycle path on the other.
- 17 Those aren't part of the existing grade separation
- 18 now and the regulation is specifically saying that
- 19 we're limiting the application of the costs to the
- 20 theoretical highway for the existing number of the
- 21 lanes of the highway. If the County had decided --
- 22 just by way of ane example to prove the point -- what

- 1 if there's going to be a 40-foot sidewalk over on the
- 2 side and now the span has to be much longer and
- 3 thicker and so on, is the Railroad going to be paying
- 4 5 percent of that because the County has decided to
- 5 introduce that additional element? The same with the
- 6 bike path on the other side, Mr. Giertych also said
- 7 that was new for the project. Why is the Railroad
- 8 paying for 5 percent of that when the regulation
- 9 specifically says we're paying for the span that
- 10 would require for this theoretical highway profile
- 11 for the number of lanes of an existing highway.
- 12 There's three public utilities that
- 13 are being relocated primarily at the cost of the
- 14 project. Those seem to be very clearly another
- 15 facility in reference to C2 such as a highway or
- 16 waterway that's outside the scope of the project.
- 17 can read you C2 here where a grade crossing -- I'm
- 18 sorry, where another facility such as -- such as a
- 19 highway or waterway requiring a bridge structure is
- 20 located within the limits of the grade separation
- 21 project, the estimated cost of a theoretical
- 22 structure and approaches, as described above in C1,

- 1 to eliminate the Railroad highway grade crossing
- 2 without considering the presence of a waterway or
- 3 highway. You recall that the regulation isn't saying
- 4 "waterway" or "highway" is the exclusive limit of
- 5 items that would be excluded from the application of
- 6 the Railroad's costs. It says, Other facilities,
- 7 such as this, require relocation.
- 8 Again, the cost application is going
- 9 to the 5 percent of the theoretical structure. I
- 10 cannot see a basis for saying, well, we need to
- 11 exclude if there's a road next to the railroad that
- 12 needs to expand, we need to exclude those costs or if
- 13 the railroad happened to be built next to a creek.
- 14 It says very clearly we exclude those costs because
- it's a waterway and, yet, somehow if there is a
- 16 utility in there, somehow the Railroad is going to
- 17 pay 5 percent of that cost.
- 18 Again, C2 is talking about where
- 19 another facility such as highway or a waterway. It
- 20 doesn't say that's the limiter. It says when those
- 21 additional items out there, those are to be excluded
- from the applicable of the Railroad's cost

- 1 contribution.
- I think the Metra platform work is
- 3 also another example. We are not Metra. Metra is
- 4 not us, it's a separate governmental tee. You know,
- 5 the notion that it's necessary to relocate the Metra
- 6 facility for the project doesn't mean the Railroad
- 7 pays for it. It would be necessary to span a
- 8 waterway if it were out there; but that doesn't mean
- 9 the Railroad pays for it. The regulation is telling
- 10 you the application of this 5 percent is not to all
- of these project costs, we need to exclude the items
- 12 that are not otherwise there attributable to the
- 13 construction of a grade separation over the Railroad.
- 14 The only other point I quess I would
- raise is two-fold. One I, again, point out that
- 16 Mr. Powers' testimony, while I am absolutely certain
- 17 he's correct on the points he raises, is limited to
- 18 the fact that the issue hasn't come up. He's not
- 19 testified that it's come up and it's been rejected or
- 20 something under those lines. So I understand nobody
- 21 may have raised this question before, but I think
- 22 there's a very valid basis on the regulation for

- 1 raising the questions.
- 2 And the last point I'd raise is -- I
- 3 raised it in the brief -- and I do think that to the
- 4 extent your Honor is deciding the issue, the County
- 5 should be seen as having the burden of proof on this
- 6 case. It's their petition. They're the ones coming
- 7 forward asking that costs be attributable to us and I
- 8 think that it's only fair in that instance that they
- 9 be seen as having the burden of proof on issues.
- I thank you for your patience this
- 11 morning and this afternoon I guess, too.
- 12 JUDGE KIRKLAND-MONTAQUE: Thank you. Okay.
- 13 Mr. Powers, did you want to add anything on behalf of
- 14 Staff?
- MR. POWERS: As a -- Staff versus a witness.
- 16 JUDGE KIRKLAND-MONTAQUE: As Staff versus a
- 17 witness, not a witness; but as a Staff member.
- 18 MR. POWERS: Okay.
- 19 STATEMENT
- 20 BY
- 21 MR. POWERS:
- 22 As Staff for the Commission, on the

- 1 record, we concur with the County's position and it's
- 2 case and would like to reference one more docket that
- 3 was recently approved by the Commission, that's
- 4 T13-0051 and there is some specific language included
- 5 in that and it was an agreed case, but if I could,
- 6 read it into the record, it pretty much sums up
- 7 our -- Staff's position.
- 8 JUDGE KIRKLAND-MONTAQUE: Go ahead.
- 9 MR. POWERS: It's a footnote under the Cost
- 10 Division Table included in that docket and it's
- 11 Footnote No. 7: 5 percent of eligible project costs
- 12 associated with a new bridge, touchdown to touchdown
- in parentheses, in accordance with 23 CFR 646.210,
- 14 classification of projects and Railroad share of the
- 15 cost, period. Final amount contingent upon
- 16 construction bids, right-of-way costs, Railroad force
- 17 account work and actual costs.
- 18 So Staff concurs with that statement.
- 19 And as an aside, this is a personal statement, I
- 20 don't know that this is the venue to decide the
- 21 5 percent rule. I don't know that it should be a
- 22 precedent setter, but that's just a personal opinion.

- 1 MR. HEALEY: I'm not sure you're going to have
- 2 a choice on that one, your Honor, but I'm not sure
- 3 you will.
- 4 Can you give me the docket again?
- 5 It's T13...
- 6 MR. POWERS: Sure. 0051.
- 7 MR. HEALEY: 51, thanks.
- JUDGE KIRKLAND-MONTAQUE: Okay. Thank you,
- 9 Mr. Powers.
- 10 Is that the all the evidence presented
- 11 today?
- MR. GUNNARSSON: Your Honor, that's all the
- 13 evidence.
- MR. HEALEY: And I have nothing further, your
- 15 Honor. Thank you.
- 16 JUDGE KIRKLAND-MONTAQUE: Okay. Well, I think
- 17 we mark this heard and taken.
- 18 (Whereupon, Petitioner's Exhibit
- Nos. A through D and F through BB
- 20 were marked for identification.)
- 21 (Heard and taken.)

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